The MAGAZINE of WALL STREET

October 4th 1930 — 35 Cents a Copy

C. G. Wyckoff
PUBLISHER

A New Basis of Forecasting

Reviving Business By Financing Consumption

What To Do With Your Foreign Bonds

Vol. 46 No. 12

$23,735,000

The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company

General Mortgage 4½% Gold Bonds, Series "C", due July 1, 1977.

The Pennsylvania Railroad Company, by endorsement on the Bonds, guarantees the prompt payment by The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company of the principal and interest thereof.

Coupon bonds, dated July 1, 1927, in denomination of $1,000, registerable as to principal, exchangeable for fully registered bonds. Registered and coupon bonds interchangeable under conditions provided in the mortgage. Interest payable January 1 and July 1.

NOT REDEEMABLE BEFORE JULY 1, 1937.

The entire series, but not a part thereof, will be redeemable on July 1, 1937, or on any interest date thereafter to and including July 1, 1972, at 105% and accrued interest, and on any interest date thereafter at their principal amount and accrued interest, plus a premium equal to ½% for each six months between the redemption date and the date of maturity.

THE UNION TRUST COMPANY OF PITTSBURGH, Trustee.

The sale of these Bonds is subject to the approval of the Interstate Commerce Commission.

In the opinion of counsel, these Bonds are legal investments for savings banks and trust funds under the laws of New York, New Jersey and other States.

W. W. Atterbury, Esq., President of The Pennsylvania Railroad Company, in a letter dated September 16, 1930, copies of which may be obtained from the undersigned, writes in part as follows:

"These Bonds are the direct obligation of The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company. The Pennsylvania Railroad Company, by endorsement on the Bonds, guarantees the prompt payment by The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company of the principal and interest thereof.

The Bonds are issued under the General Mortgage of the Company dated June 1, 1920, and Indenture supplemental thereto dated June 1, 1927, and will be secured by a direct mortgage upon all the lines of railroad and appurtenances thereto now owned by the Company and upon all properties acquired by the issuance of any of the General Mortgage Bonds. The General Mortgage Bonds are subject to $60,158,000 of prior lien bonds which may not be extended or renewed and for the retirement of which, at or before maturity, General Mortgage Bonds are reserved. The properties include about 1,954 miles of railroad from Pittsburgh, Pa., to Columbus, Ohio, Indianapolis, Jeffersonville (across the Ohio River from Louisville, Ky.), Terre Haute, Ind., East St. Louis and Chicago, Ill., together with all appurtenances, equipment, engine houses, etc., large and valuable shops, freight stations and yards at most of these cities, the shops at Columbus, Ohio, being the largest shops west of Pittsburgh on the Pennsylvania Railroad System.

The railroad covered by the General Mortgage embraces lines in the States of Pennsylvania, Ohio, West Virginia, Indiana and Illinois, the line from Pittsburgh, Pa., through Columbus, Ohio, and Indianapolis, Ind., to East St. Louis, Ill., comprising the main line of the Pennsylvania Railroad System between Pittsburgh and St. Louis, with important branches extending to Wheeling, West Va., Louisville, Ky., Cincinnati, Ohio, and Chicago, Ill. The Company's lines also form an alternate route for direct traffic from Pittsburgh to Chicago.

The purpose of the sale of these Bonds by The Pennsylvania Railroad Company is to reimburse its treasury for advances made to The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company for capital expenditures.

All of the railroad properties of The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company are leased to The Pennsylvania Railroad Company, under a lease running for 999 years from January 1, 1921.

The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company has outstanding $84,720,500 of capital stock, of which The Pennsylvania Railroad Company or its subsidiaries own approximately 99%.

The Pennsylvania Railroad Company, which guarantees the principal and interest of these Bonds, has outstanding $648,783,300 par value of capital stock having a present market value of about $947,000,000.

The total authorized amount of the General Mortgage Bonds is limited so that the amount thereof at any one time outstanding, together with all outstanding prior debts of the Railroad Company, after deducting therefrom the bonds reserved under the General Mortgage to retire prior debts at maturity, shall not exceed three times the then outstanding paid-up capital stock of the Railroad Company. Of the authorized amount there will be outstanding in the hands of the public, after the present issue, $20,000,000 of Series "A" 5% Bonds; $26,000,000 of Series "B" 5% Bonds and $23,735,000 of Series "C" 4½% Bonds (the present issue). $74,916,000 bonds are reserved to retire a like amount of prior lien bonds and the remainder is to be issued under the restrictions stated in the mortgage for the payment, refunding or retirement of General Mortgage Bonds outstanding, for additions, betterments and improvements, for equipment to the extent of ninety per cent of the cost thereof, and for the acquisition of other companies' securities.

Both principal and interest of the bonds will be payable in gold coin of the United States of America without deduction for any tax or taxes (other than Federal income taxes) which the Railroad Company or its successors or assigns or the Trustee may be required to pay or to retain therefrom under any present or future law of the United States of America or of the States of Pennsylvania, Ohio, West Virginia, Indiana and Illinois.

Application will be made in due course to list these Bonds on the New York Stock Exchange."

THE UNDERSIGNED WILL RECEIVE SUBSCRIPTIONS FOR THE ABOVE BONDS, SUBJECT TO ALLOTMENT, AT 100½% AND ACCRUED INTEREST TO DATE OF DELIVERY.

The undersigned reserve the right to close the subscription at any time without notice, to reject any application, to allot a smaller amount than applied for and to make allotments in their uncontrolled discretion.

The above bonds are offered if, when and as issued and received by the undersigned and subject to the approval by the Interstate Commerce Commission of the sale of the bonds to the undersigned, and to the approval by their counsel of all legal proceedings in connection with the issue, guaranty and sale of the bonds. Temporary bonds will be delivered against payment in New York funds for bonds allotted, which temporary bonds will be exchangeable for definitive bonds when prepared.

Kuhn, Loeb & Co.

New York, September 17, 1930.

Member of Audit Bureau of Circulations

CONTENTS

Vol. 46 No. 12 **October 4, 1930**

The Ticker Publishing Co. is affiliated with no other organization or institution whatever. It publishes only The Magazine of Wall Street, issued bi-weekly, and the Investment and Business Forecast, issued weekly

Copyright and published by the Ticker Publishing Co., Inc., 42 Broadway, New York, N. Y. C. G. Wyckoff, President and Treasurer. E. Kenneth Burger, Vice-President and Managing Editor. W. Sheridan Kane, Secretary. Lael Von Elm, Business Manager. Thomas F. Blissert, Financial Advertising Manager. The information herein is obtained from reliable sources and while not guaranteed, we believe it to be accurate. Single copies on newsstands in U. S. and Canada, 35 cents. Place a standing order with your newsdealer and he will secure copies regularly. Entered as second-class matter January 30, 1915, at P. O., New York, N. Y., Act of March 3, 1879. Published every other Saturday.

ADVERTISING REPRESENTATIVES—Atlanta, A. E. Christoffers, Walton Building. Baltimore, W. L. Towner, 1115 Lexington Building.

SUBSCRIPTION PRICE $7.50 a year in advance. Foreign subscribers please send International money order for U. S. Currency, including $1.00 extra for postage (Canadian 50 cents extra.)

TO CHANGE ADDRESS—Write us name and old address in full, new address in full, and get notice to us three weeks before you desire magazine sent to the new address.

EUROPEAN REPRESENTATIVES—The International News Company, Ltd., Breams Building, London, E. C. 4, England.

Cable address: Tickerpub.

WITH THE EDITORS

Stock Yields—At Home and Abroad

ATTENTION has many times been drawn to the fact that European stocks commonly yield their holders a larger rate of return than do American shares of equal grade. This statement, however, had a better foundation in the more distant past than during the last year or two. As a matter of fact, figures compiled by New York Stock Exchange show that of the average yields on German, English and French stocks, only the last named have consistently run lower than the average yield on domestic stocks during the past year or more. Even at our current low prices the return on leading stocks in London are fully a half per cent above the same grade of issues in New York, while the stocks on the Berlin Bourse return on the average fully 2% more than domestic issues, and have consistently done so for some time past. The answer may be found in business conditions which have obtained in the countries mentioned.

Indeed the level of the yield appears to be in direct proportion to the business prospects in each case. The generally rising trend of yields reflects the attitude of investors the world over. When the outlook is clouded stocks are bought on an income basis. Little weight is attached to future growth of corporations and price appreciation of their shares—the prime consideration is a fair return with safety. With business depressed this usually only means lower stock prices, for the demand does not materialize until the price is such as to afford a fair yield.

In Germany, where business has been severely disturbed and political contention manifest, the yields are highest. In France where industry has been more active and labor well employed the yields are lowest.

It is interesting to note that the average yield on high grade domestic stocks has been climbing through the better part of this year, which shows that even the American attitude, which in its security purchases is characteristically concerned with future growth and rising prices, has become tempered with more conservatism. The public at home, in common with the rest of the world has shown considerable reluctance in rushing into the market. As a matter of fact it has pretty generally restrained its buying unless the prices were such that income at present was attractive and well assured. It represents a vast change from the popular psychology of last year, but in times like these it is a salutary viewpoint.

In the Next Issue

1. The Millstone of Excess Capacity.

By THEODORE M. KNAPPEN

Prosperity in the past has been founded on maximum output. Must we seek a different base today? The world, and America in particular, is equipped to produce more than it can consume. What is the answer? This article will prove of absorbing interest and practical value to every business man and investor.

---

2. At Less Than Liquidating Value.

By HERBERT C. KNOX

Why do the shares of some of the soundest investment trusts continually sell below the market value of the securities in their portfolios? What is the significance of liquidating value anyway and how may it be determined? These and other practical questions are discussed in this authoritative article.

---

3. Investment Opportunities in a Rising Preferred Market

Suggestions representing excellent yield with prospects of price appreciation. Specially selected by the MAGAZINE OF WALL STREET's staff.

E. Kenneth Burger
Managing Editor

C. G. Wyckoff
Publisher

Theodore M. Knappen
Associate Editor

Investment and Business Trend

The "Inevitable Conflict" Arrives — To Sell Is to Buy—When Fiction Is Stronger Than Fact—Trials and Hopes — The Empire That Is and Is Not — Gold Enough?—Elections by Bayonets—Capital at Work—Exodus to the Cities

THE "INEVITABLE CONFLICT" ARRIVES

A HUNDRED chartered ships are bringing Russian forest products to America in contravention of the spirit if not the letter of the law forbidding the importation of convict-made goods. Protests promptly were met with repressive frowns from Washington—and you can go out in New York harbor any day and see these contraband ships steaming in. But when Soviet agencies sell a piffling 7,000,000 bushels of wheat short in the Chicago pit, howls of rage emanate from official Washington, and the Secretary of Agriculture publishes an exposure of his unfamiliarity of the principles and mechanics of commodities speculation. It was characteristic of the ineptitude that characterizes the business activities of the horde of untrained men and voluble theorists who are now in control of the economy of the whole Russian nation that they should take the risk of public indignation that naturally attaches to such an operation by any foreign government, particularly theirs. While we believe that sincerity is unknown to Soviet declarations we are simple enough to believe that the Soviet government was merely resorting to the commonplace practice of hedging in futures against its deliveries of wheat in European markets. The sinister aspect is in the cash deliveries of Russian wheat in Europe at prices well below those prevailing in Chicago. That is a devastating blow at the wheat raisers of the entire world. But stupid. Delivered in Europe and advertised by short selling in America, it has aroused the indignation of farmers the world around. The indignation of farmers is powerful in politics. Washington, so scrupulous to make it clear that collectivist shipments of wood and manganese must not be distinguished from the ordinary processes of commerce finds that Communist wheat is something entirely different. The "Inevitable Conflict" we predicted in a former editorial is here. A mess of pottage in the shape of industrial exports to equip collectivism to combat the world will no longer block a vigorous counter-attack.

TO SELL IS TO BUY

INCREASED exports in August have been the occasion of some rejoicing, but the drop of imports to the lowest figure for August in ten years has received scant notice. The spread between exports and imports is no doubt pleasing to the popular idea that foreign trade should be all exports, thereby leaving the

home market entirely to domestic producers. To our mind the decline of imports is more ominous than the falling off in exports this year. We apprehend that it spells a long delay in the restoration of our exports to the volume of 1929. The reduction of imports is equivalent to the reduction of receipts in a private business. It means that foreigners find less and less with which to buy our goods. The present slump in exports is at least partly due to the exhaustion of foreign buying power in this market by reason of the tremendous spread between our exports and our imports. It will take a long time for American commercial opinion, and still longer for political opinion, to alter its point of view concerning the true nature of foreign trade. We may have to go through a period of waning exports and a tedious campaign of public education and then of tariff readjustment before we are ready to concede that imports buy exports and pay debts.

WHEN FICTION IS STRONGER THAN FACT

A CONSENSUS of economic opinion is that the facts of the economic situation call for a revival of business, but it does not revive. Obviously the alleged facts are not accepted by the public. So, the most important fact of the situation is external to it, and nullifies the facts that ought logically to control. "The truth of the matter is," says Sir Josiah Stamp, "that economists particularly are apt to think that the data of economic or financial science are really things and facts as they are. That is true; integrally, what people think about facts, however wrong and misguided, is very often to be included in economic data and is very often more important in the long run than the study of things as they are. People will run just as fast from a dog, if they think it is a wolf, as they would if it were actually a wolf; and if people have a misconceived notion of economic facts that is just as important in economic data as the facts themselves."

What the commuters say on the 5:10 may momentarily be more important than the facts in President Hoover's portfolio. What the public is thinking and feeling is more potent in business and market now than the absolute facts.

TRIALS AND HOPES

BUSINESS, all hands agree, is down. The domestic scene and the world situation are full of dynamite that menace its recovery. On the other hand, there are forces at work that might put us on an upgrade with a snap. There is ample evidence that the country has a vast buying capacity at its command. It is not buying for lack of funds so much as for lack of desire. It lost courage some months ago and then lost interest. We find it far easier to do nothing or little than to bother to think, plan and work. This state of mind may be changed in as much of a hurry as that of the paralytic who got up remarkable leg work when surprised by a run or die situation. We are having a lot of pathetic satisfaction in pitying ourselves. And we do find a good deal of real cause for self-pity. We were set for a revival in the Fall—and along came the drought. We have been doing a tremendous amount of heavy construction—but nothing happens anywhere except on the road or dam. The commodity situation seemed to be stabilized but along came the Russians with a mere 40,000,000 bushels of "distress" wheat, and foodstuffs took another dive. We were felicitating ourselves on the attainment of peace and stability throughout the Western world when South America blew up in three places and emitted sulphurous fumes in others, and the German elections staggered the world. And there came, too, disconcerting reports of possible new wars in Europe. Well, well, we can't deal analytically with all these boils that afflict us but let us remember that wounds hurt most when they begin to heal and that the patient is grouchiest when he is recovering; yet it is wise to maintain balance of judgment, and concede that we may possibly have to endure more trying times than we have had. But soon or late the turn will come. Bare shelves, empty storehouses, reviving interest in life and action, accumulations of idle money, will, we believe, force the doors of despondency. In these days of dulness and discipline the prosperity of the future is being founded.

While the weakness of the Fall seasonal buying revival has unmistakably delayed digestion of overproduction and deferred cyclical expansion, it can only result in increased pressure for the resumption of business activity. In view of the fact that December is always a "low" in the business calendar, outside of retail trade, there remain only two months in which 1930 may aspire to the distinction of having the visible beginning of business recovery. The honor will probably be reserved for 1931, and the normally crescent month of January may be the standard bearer.

The tenuous chance for earlier revival lies in the vagarious realm of psychology. The factors may be both fear and renewed hope. There are evidences that industry, fearful that prices will rise, is beginning to buy heavily of raw materials. The substantial increase of the value of exports in August over July, which, when converted into physical volume, becomes much larger, gives hope that low prices are making for increased exports. Popular optimism may be stirred at any moment by contagious conviction that the moment of destiny for a renewed drive for betterment and fortune has arrived.

THE EMPIRE THAT IS AND IS NOT

AN indefinable conference is being held in London. It is mentioned as the Imperial Conference. But strictly it is not such, for its members—the various British Dominions, as well as the Mother Country, insist that they are nations; hence their association is certainly not a political empire. At the same time, they insist that they are parts of the Empire; but if this is true they are not nations. The nebulous throng that is neither empire nor nations and aspires to be both, is in practice now one and then the other and sometimes both. If Canada is a nation, for instance, why should it have its own minister at Washington when the collective king of all the dominions has its ambassador there?

You can't beat it. The most illogical and at the same time the most practical people in the world have given us the consummate triumph of the social habit of "muddling through" in the British Empire—an empire without empire, composed of nations that deny the final attribute of national independence. And now it is prophesied, in all seriousness, that the conference shall grant independence — the right of secession to political entities that, claiming to be nations, have no empire from which to secede. The great question for the world is whether such a political paradox can give birth to an economic empire. And that is the real business before the conference.

GOLD SHORTAGE?

NO less an authority than the Gold Delegation of the League of Nations Financial Committee suggests the probability of a shortage in the new gold supplies for monetary purposes by the year 1934. The method of arriving at this statement is a bit complex to layman, for it is based on four assumptions. Each one assumes a theoretical percentage of the "wanted gold reserves" and the rate of growth in the demand for monetary gold. All but the most conservative assumptions arrive at this problematic gold shortage by 1934. In the same statement the Delegation wishes to record the opinion that "if the need is recognized remedial measures can be found which might be expected, for at any rate the next decade, to correct the consequence we fear." The percentage of the gold reserves that the report assumes are "wanted" range from 33 to 40 per cent. Coming at a time when the gold reserves of the Bank of France are at the highest point in the entire history of the bank and when the United States still holds a huge slice of the world's available monetary gold supplies, the gold storage warning might be taken by these two countries as a polite little suggestion to loosen up a bit. Reserve officials in this country, however, have indicated a sincere desire to cooperate with other central banks in efforts to adjust the so-called maldistribution of the world's gold, despite criticism from their own countrymen. It is not difficult to imagine, therefore, who this extremely polite diplomatic hint is intended to reach. In the meantime, and not pass to be careful not to overlook the intent of the Delegation's official statement but not take around word of an international gold crisis too freely nor take the threat of an impending shortage too seriously.

ELECTIONS BY BAYONETS

BAYONETS, it seems, are still superior to ballots in South America. There have been three bayonet elections in as many republics lately and more may soon be announced. These bayonet and machine-gun methods of changing the administration no doubt have their domestic merits and justifications. But as a means of altering market prices of bonds and stocks of South American origin or affiliation we think they are distinctly inferior to our own machinery for such purposes.

It is at once a disillusioning commentary on South American political aptitude and the stability of investments in that continent that the revolutions have all been inspired or promoted by college students or military cadets of about sophomore grade in studies and kindergarten in practical experience of life.

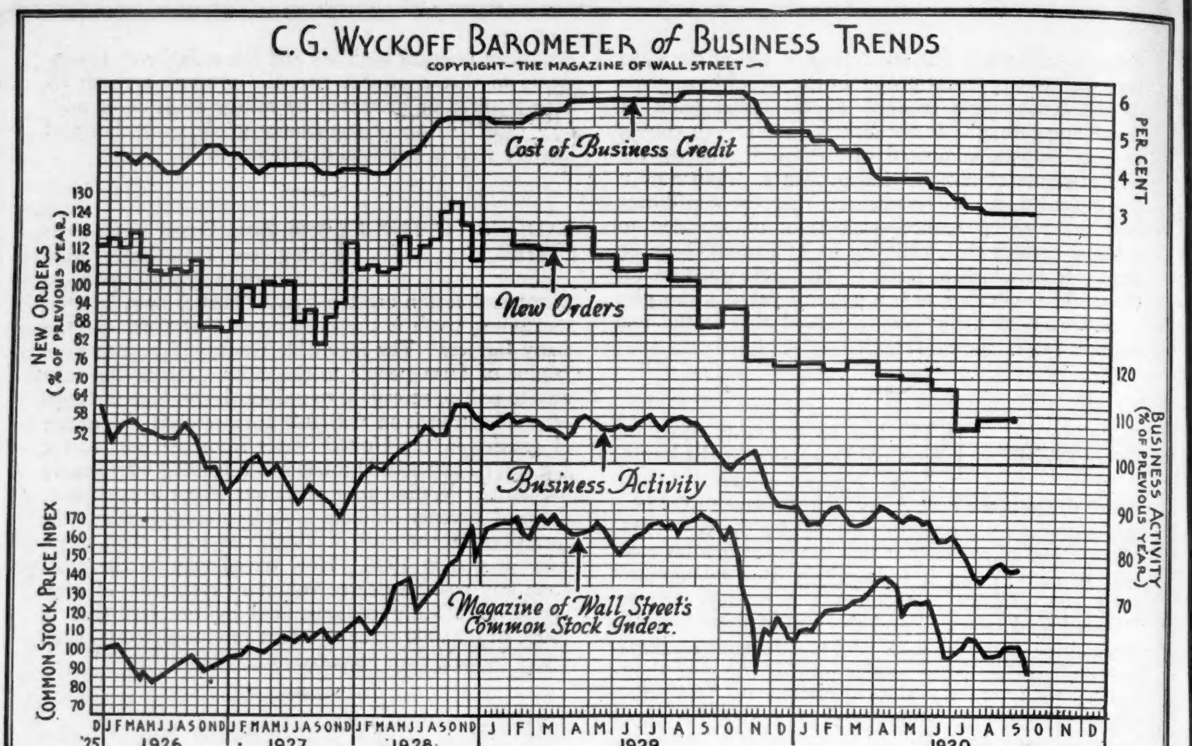
EXODUS TO THE CITIES

THE Farm Board is proceeding on the theory that American crops such as wheat and cotton are too large. That is true, but the controlling truth is the deeper one that there are too many farmers. The inevitable result will be a further exodus of farm people to the cities. About the only way to reduce acreage is to reduce the number of farmers. The transition will still further shift the center of gravity in the United States from the field to the factory. The national interest is becoming increasingly industrial. Within four years our wheat exports have declined seventy million bushels annually while the carryover at the end of 1929 was more than twice what it was in 1926. How trivial may be the relief from any possible degree voluntary restriction of acreage is graphically demonstrated by the fact that in 1929, 61,000,000 acres of wheat produced 108,000,000 fewer bushels than 58,000,000 acres in 1928.

CAPITAL AT WORK

IT has frequently been recorded that changing investment conditions and the 1930 preference of investors has restored the fixed income bond to its former rank of preeminence as a vehicle for new financing. The effect of this redistribution in the various channels through which new capital flows, however, is an even more significant development in present-day financing tendencies. Last year stock financing brought funds into the treasury of industrial companies, but in the speculative mania which prevailed, it also diverted over a billion and a half dollars of capital into investment and financial concerns. Railroads, public utilities, foreign government and domestic states and cities bore the brunt of this diversion of new capital. Yet the expenditures of the latter group of borrowers go into basic industries, in contrast with the expenditures of holding companies, investment trusts, etc., which found their way into stock market use last year. The result was a tendency to starve the basic industries of capital—perhaps one of the fundamental weaknesses of the economic situation last year. For the first eight months of the current year, this unfortunate tendency appears to be correcting itself in a most wholesome and encouraging fashion. The railroads have obtained virtually twice the amount of new capital that they were able to obtain in the same period of 1929, the current total running close to a billion dollars; public utility issues have increased from one and three quarter billion to well over two billion; foreign governments from practically nothing to over 400 million dollars. Historically-minded observers point out that a similar tendency toward capital starvation of basic industries was noted in 1920, and when the condition corrected itself in the depression of 1921, business conditions took a turn for the better.

Monday, September 29, 1930.



Taking the Pulse of Business

We Present Our Modern Barometer

By C. G. Wyckoff

IT seems that in a very real attempt to prevent the world-wide business recession of today, and to temper the convulsions that periodically occur in business crises and depressions,—a cumbersome and unwieldly statistical machine has been set up which has only brought confusion.

This confusion has been caused mainly by the tremendous bulk of statistics accumulated,—the very mass of which has led to conflicting interpretations,—especially in the hands of those who endeavored to use these figures as inflexible forecasting robots. And the errors of judgment and interpretation became more and more misleading as the applicability of these indices declined. Yet, there has been considerable reluctance in discarding and changing these figures, possibly because the more analytical the mind, the more conservative is the thinking,—and the more difficult it is to discard any theories developed, especially if they have at all proven themselves in the past.

There is no better evidence of the weakness of the base upon which forecasts have been made than the wide difference of current opinion regarding the course of business at the present time. It definitely proves, as well, the futility of attempting to standardize or mechanize human activities outside of the factory,—and the facts and figures which are our basis for calculating and appraising man's activities are subject to almost continuous change and free interpretation.

This is particularly true in the field of forecasting either business conditions or the swings of the stock market, where the human equation is of the utmost importance. Here, more than ever, conclusions are dependent upon individual interpretation,—the flexibility of mind,—the degree of experience and the intelligence of the forecaster being the most important factors.

In the course of the past ten years the accumulation of obsolete statistical ideas and misinterpreted indices has been tremendous. Add to this the fact that many of these figures were stale and out of date when they appeared in print, and you have the answer to the breakdown of the statistical forecasting machine.

It is our opinion that this lack of an adequate compass and the attending uncertainty regarding our real economic position is in a large measure responsible for the indecision and hesitation which exists in the minds of so many businessmen today.

Just as some five years ago this publication discarded the venerable stock market averages based on only a few leaders and adopted a new one of a scope more closely adapted to the changing type of stock markets,—so more than two years ago we began research work on the formulation of a reliable barometer of business that would be simple and not

complicated by too many indices, in the hope of eliminating errors both of fact and interpretation; in short, a modern method of calculation.

Our work in this line made it necessary to analyze and test the major indicators upon which business and the stock market have been relying for the purpose of gauging the future trend. We found, as we suspected, that many of these highly regarded signposts of the past were in the same category as the cigar store Indian in modern applicability and usefulness.

What is Real? You have undoubtedly read the various articles which have appeared in the MAGAZINE from time to time,—particularly during the last year,—in which we pointed out the weaknesses of former statistical guides in order that we might give our readers the benefit of this work as it was progressing and stimulate free thinking not bound by traditional statistical conceptions and carry-overs.

That these older indices have had a legitimate basis in the past is, of course, obvious,—but too many of them have long outgrown their usefulness. For example: Gold movements, bond yields and bank reserve ratios no longer function as business gauges owing to the many changing factors, one of the most important among which is the financing of industry through the sale of securities instead of through bank loans and commercial paper.

The speed of communication and transportation has enabled us to turn our money over with tremendous rapidity,—making for ever increasing breadth in the scope of business credit with essentially the same gold reserves.

Business failures were very important when we were a nation of small individual enterprises, but today when a predominant part of the business of this United States is conducted by large corporations operating in relatively few industries, failures represent largely the financial mishap of small businesses—they signify that a few unprepared individuals have attempted to strike out for themselves and have failed.

Take our "crop" line: at the beginning of the Nineteenth Century, crops and crop prospects were counted as an important index. Ninety per cent of the United States at that time was agricultural,—and the success or failure of our crops was of paramount importance. But today we are a highly industrialized nation. The farm has been supplanted by the factory in economic importance.

Our modern civilization has wrought many radical changes. Therefore, in developing our new index we have relegated these and other ancient indices to the background where they belong in the industrial scheme.

The New Barometer To take their place we offer a new Barometer of Business Trends comprising: (1) Business activity, (2) new orders, (3) common stock price index, and (4) the cost of business credit; the four great factors whose combined record is the pulse chart of present day business.

Let us consider them first individually.

Business Activity This business activity curve is, of course, the thermometer of industrial vitality. It reflects the position of those key industries which are the backbone of American business and at the same time includes distribution.

It is natural that it follows in rather close accord with the graph of new orders. A vigorous demand for new materials is bound to find its counterpart in a rising volume of industrial activity.

New Orders The index of new orders represents the degree to which business can anticipate its own future requirements in the purchase of equipment,—raw materials or stocks of goods. In a sense it is the composite view of trade and industry concerning the volume of business on hand,—and the industries in prospect.

Of course, it would be most desirable if both new orders and business activity could be expressed in absolute terms such as the actual dollar value of order volume or business transacted. With such data impossible to obtain, however, it is necessary to employ relative values. But for this purpose we have resorted to the simplest and most logical comparison, namely, the corresponding period of the previous year. It will be noted that both business activity and new orders are expressed in this manner, their percentage values showing the extent above or below the corresponding month or week of the preceding year. This is the most natural comparison,—the one which we all instinctively adopt for the simple reason that last year is still fresh in the mind and means more than any arbitrarily selected "normal." As a matter of fact, there is no "normal" in American business. Progress is too constant. Changes are kaleidoscopic—and the normal of today is the antique of tomorrow.

In making comparisons this year we all recognize that last year's production basis was overstimulated and unsound; good business will not consist in "beating" last year, but rather in an improvement from the lows.

We also have in the course of preparation individual graphic presentations which will give detailed analysis of the business progress and new orders as we find them each week in the important industries which transact a major part of the country's business. Since we are able to present very timely figures, we feel that we are making a useful and helpful contribution, of the utmost value, to our readers.

Common Stock Prices We incorporated the Common Stock Price Index since it is of the utmost importance in judging business prospects today in view of the fact that nearly every trade and industry is represented in the security markets.

THE MAGAZINE OF WALL STREET's Common Stock Price Index needs no introduction to our readers. In the five years of its existence it has established itself as the most reliable composite record of the behavior of security prices. It is so broad in its scope as to transcend any arbitrary average of its new leaders—yet its very simplicity as an unweighted index enables it to record the behavior of the general market in a manner most readily comprehended. Each year it is revised to embrace the action of all stocks whose total transaction exceed 5,000 shares. As now constituted it represents 428 active issues on the New York Stock Exchange. (For convenience in studying the movement of individual groups recent figures are shown elsewhere in this issue.)

(Please turn to page 898)

“Cash or Tick” Says Uncle Sam

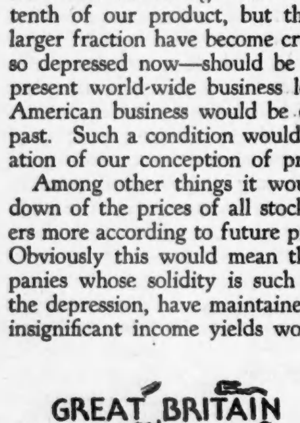
Reluctance of United States to Receive Goods for Goods and Debts, Great Obstacle to Foreign Trade Revival, as Loans Pile Up and Debtor Nations Wonder How to Pay

By Theodore M. Knappen

BUSINESS consists of buying and selling. No merchant outside of an insane hospital would seek to sell without buying. But when we come to international trade we substitute national groups for the individual business man and immediately proceed to encourage exports and discourage imports.

The world-wide emphasis on exports and the depreciation of imports presents a serious problem for the United States, with immediate application to the present business depression. In the American sense prosperity must be progressive, not static. Notwithstanding the great growth of domestic population, which has accustomed us all to measuring prosperity by increment of business volume, our productive capacity tends to exceed its requirements. It is true that our foreign trade disposes of not more than a tenth of our product, but that tenth and the need of a larger fraction have become crucial. If our foreign trade—so depressed now—should be *permanently* affected by the present world-wide business lethargy the future tempo of American business would be decidedly slower than in the past. Such a condition would necessitate a profound alteration of our conception of prosperity.

Among other things it would lead to a general scaling down of the prices of all stocks that are evaluated by buyers more according to future prospects than present returns. Obviously this would mean that the shares of many companies whose solidity is such that their securities, despite the depression, have maintained a price that permits of but insignificant income yields would go to levels much lower than they have known for some years. Pending such a readjustment bonds would rise in favor with investors, and the general trend of investment would be away from common stocks. All securities would be appraised according to earnings and dividends ratios rather than to assets and prospects. Business would tend to lose the buoyancy and enterprise that go with expansion and rosy prospects and the securities markets would lose much of their speculative lure. We like to see the ships going out loaded to the Plymsoll line and returning in ballast with nothing bulkier than drafts or, perhaps, gold. We see profit in exports and loss in imports.



We think of foreign trade in terms of exports. But we can not expect that we can go on indefinitely enjoying such a balance of merchandise trade as we had between 1914 and 1930, when the total of the “favorable” balance reached the prodigious sum of 25 billions of dollars. During that period we virtually extended to the foreign world as much credit as the aggregate of the balance of trade. In other words, the foreigners paid the balance by book entries that will have to remain as permanent debts, through replacements and refunding operations, unless we are willing to pursue a tariff policy that will enable them to pay up in goods and services. Credit buying is proverbially easy, and the expansion of our exports during the past fifteen years is largely due to the fact that we were financing the world to buy from us. In fact, the loans went abroad mainly as goods instead of cash.

We were able to make these stimulating loans largely because of the credit inflation pumped up by enormous influx of gold that set in with the beginning of the World War. Broadly speaking, the foreigner has no more gold to spare us.

Loans Without Settlement

We have become a creditor nation but we still follow the policy of a debtor nation. Somebody has said that a practical man is one who practices theories that were new thirty years ago. By this definition we are a practical nation in respect to foreign trade theory. We are eager to lend but we make repayment difficult. But there are other items than credit and imports available for foreign utilization in casting up accounts. Even as late as 1929 the net increase in American investments abroad was about the same as the balance of trade in our favor—734 million dollars, but net interest charges on those debts amounted to about half as much. Against them foreign nations had a favorable balance in the tourist trade of about 600 million dollars. Other invisible items to their credit on balance were water and rail freight charges, immigrant remittances, governmental expenditures and gold shipments, aggregating 550 million. The tourist balance may continue to increase but freights, immigrant remittances and other items are sure to decrease. The time will come when any growth of

foreign trade will depend upon an increase of the actual importation of foreign goods or the further piling up of perpetual loans.

The latter is already checked and will be still further reduced by the growth of interest charges that artificial restrictions keep from being paid in the form of goods, although it should not be forgotten that the pressure to pay may ultimately crash through any tariff wall. We may conclude that the technical position does not favor the expansion of our exports—rather that it operates for contraction. It can be altered fundamentally only by the loosening of tariff restrictions upon imports, and there is nothing in the political situation, or the slant of public opinion, to justify any hope of substantial tariff reductions for many years to come. It is the popular conviction that increased imports would do more injury to the home market for American goods than the benefit from enlarged exports.

A Hard Game

But let us assume that in some miraculous way it will be possible under present tariff and credit restrictions for the world to buy more of our goods. It would take a prophetic genius with supernatural powers to undertake to say what will be the outcome of the whirl that international trade is bound to be in the years to come. About the only safe thing to say about it is that it will be a condition of infinite variety that age will not wither or custom stale. It will be perpetually changing. The crowded markets of today will be brushed bare of our goods tomorrow, and where now an American product is as scarce as banana trees in Labrador the warehouses will bulge with our products. Foreign trade will be only for traders who are on their toes and as ready to divert a cargo of goods from Mozambique to Oslo as the Sunkist co-operatives are now keen to divert to Boston a carload of oranges that was headed for Minneapolis when it left Riverside.

Slow Revival of Foreign Trade

First among the factors relating to the revival and extension of foreign trade is the extreme probability that the rest of the world will not "come back" into the economic rhythm as soon as we shall. This applies particularly to the industrially undeveloped or semi-developed countries, but Europe's business tempo synchronizes with theirs, for the key to prosperity in Europe is foreign trade, whereas with us it is merely a wedge for opening the door wider.

Europe's markets are not in the United States but largely in the new countries under the Southern Cross, in the Orient and in Oceania. The curse of overproduction has its heavy hand upon most of those regions. Even the naked Malay cannot grow rubber for its present price. The world's surfeit of wheat has paralyzed buying power in Argentina, Australia and in western Canada. Coffee is a problem of despair rather than of hope in Brazil, copra rots in the South Sea Islands, the silk worm toils in vain in Japan. The nitrate fields of Chile contemplate return to the ancient solitude of the desert in face of synthetic nitrates produced in the countries that were their markets.

In general the farmers, the miners and all producers of raw materials have gone the manufacturing nations one better, or worse, in the rush to build up profits by quantity instead of by percentage. The farmer and the producer of raw material by any vegetative process can not quickly or easily control his output. When depression comes it is not easy to reduce the momentum of production. The farm goes on, the flocks cannot be disposed of in a year or two, the orchards grow and the fruit comes. Low prices, curtailed income and diminished purchasing power are likely to characterize agricultural and raw material industries for some years. The return of prosperity to the countries that are largely dependent upon them is likely to be slow, and therefore to the nations with whom foreign trade is the barometer of prosperity.

The drab outlook for the foodstuffs trade is made dingier by the recrudescence of Russia. This vast country, chiefly agricultural and a vast potential source of raw materials, now appears as an exporter of grain in significant quantities for the first time since 1913. There is almost no bottom to the prices the Communist Government can quote in its eagerness to trade its raw products for the finished goods it so desperately needs. As this is written Russian wheat exports, although not large as such exports go, are offered at such ruinous prices as to upset all the grain markets of the world. Such competition has a sinister meaning for the revival of prosperity in all countries with which Russia can compete in the world markets. Incidentally, it drives a wedge between our industrialists, who are profiting hugely by the Russian demand for our machinery and other finished products, and other industrial groups and our farmers. To get credits with which to pay Ford, General Electric, International Harvester, and a host of others the Russians are wrecking the wheat markets. At the same time our markets for manufactured goods in the Balkans, Poland and other states that sell agricultural surpluses in the European market are severely injured.

Then, again, the spread of the self-containment theory throughout the world, tends to policies of home-market development everywhere. Australia, virtually bankrupt, is going in for high tariffs on manufactured goods. Canada, agriculturally prostrate, is raising towering tariff walls, not only against us but against Europe, including the mother country. Thus artificial as well as natural conditions operate against the extension of markets for industrial countries in the developing countries. More and more the character of international trade is ceasing to be complementary in the sense of the exchange of manufactured

NOTE—Figures used in illustrations are 1927-28, instead of the abnormal figures of 1929.

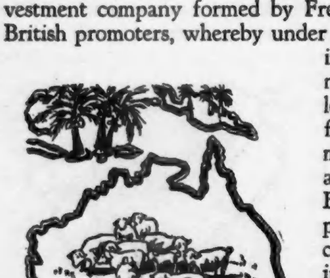
goods for foodstuffs and raw materials. The newer and the backward nations are encouraging domestic manufactures and the industrially developed nations are stimulating agriculture.

The tremendous increase of our exports during the last ten years was largely due to abnormal causes. We financed European rehabilitation on a large scale and increased our exports to Europe accordingly. In doing so we not only filled up the gap left by the destruction of war but we have physically equipped the industrial nations of Europe to hold their own markets against our manufacturers in the future. Simultaneously Europe requires less of us and is the better able to compete with us, not only in its home territory but abroad. Moreover, there is an undeniable tendency in Europe to combine against us commercially.

Europe Looks at Its Home Market

Briand's conception of a United States of Europe may be an iridescent dream in a political sense but the growth of European international cartels and such developments as the proposed commercial union of the Balkan and Baltic states unmistakably reveals a tendency to united commercial opposition to the United States. Europe can still use loans from us, but every commercial loan we make tends to cut off outlets for our goods in later years. Our money may equip European factories with our machines, or we may build branch factories abroad by the hundreds, but the eventual result is that the products of those factories replace ours.

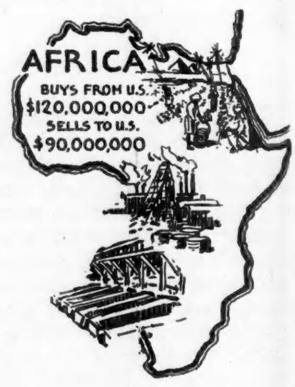
Europe will increasingly seek to capitalize itself. Already we witness an international effort to make the savings of France available to her neighbors, as in the mortgage investment company formed by French, Belgian, Dutch and British promoters, whereby under the guise of Dutch bonds it is hoped to beguile the nationalistic French to lend money to German farmers. France has immense reserves of capital available for the rest of Europe once her financial provincialism can be overcome. Britain is pondering a commercial league of the British Empire. France is successfully building up reciprocal trade with her empire. Undoubtedly we are confronted by the fact that Europe will henceforth take relatively if not absolutely less of our product, both agricultural and manufactured. When it is noted that Europe still receives about half of our exports the impending changes become menacing to a high degree. Manifestly we must cultivate other markets.



Taking all the factors into consideration we must conclude that our foreign trade will revive but slowly and will thereby be a minor factor in the restoration of prosperity. The home market will have to pilot prosperity. When that market, so incredibly insatiable when it is active, begins to buzz once again the innumerable raw materials of the outside world, from camphor to manganese ore, will again be in brisk demand at prices that will endow their producers with purchasing power for the acquirement of our products. For us to do business with Europe is, in a way, something like one department store trying to prosper by dealing with another—that continent seeks to sell us much of the same commodities that we seek to sell it. That is a hyperbolic generalization but it packs a walloping fact.

Our trade henceforth will naturally and also by force of circumstances and intention expand chiefly with these countries with which reciprocal trade is possible; broadly, the countries whose products we must have and that are on our customs free lists or but lightly taxed by tariffs and whose needs require our products. These include the areas which now enjoy a favorable balance of trade with us. These are the lands where our surplus capital must penetrate and where it should logically go.

Foremost in future trade possibilities is South America. It has room for a multiplied population and it has an abundance of natural resources to support a greatly elevated standard of living. That continent is virtually free of foreign political control, and as a whole its products are not competitive in our home markets but complementary. It will require foreign capital for some decades to come. That capital will be mainly American and exports will follow the credits.



Asia presents a promising field because, with large population, it is, with the exception of Japan, only on the edge of modernization. It is to a great extent under foreign political control. Like South America it needs development of railways, highways, air lines. Its internal trade has vast possibilities of development, which as realized, will give large foreign purchasing power. Japan, although a vigorous competitor with us in some fields, offers a promising field because our trade with her is largely reciprocal, due mainly to our huge imports of raw silk.

Africa and Oceania, politically dominated by Europe, nevertheless, afford promising fields for the expansion of American exports.

Irrepressible Trade With Canada

On our own continent Canada to the north and Mexico and the Central American states offer promising fields for American finance and commerce. Canada is our foremost customer in all the world. Agriculturally she is a competitor and is intent upon a larger degree of self-containment with all its tariff implications. But partly owing to climatic differences and a considerable differentiation of raw materials between the two countries there is room for a large volume of reciprocal trade. Beyond that, geographical continuity and practically the same standards of living and similar racial composition and social and commercial cus-

(Please turn to page 895)

¶ Will the Present Movement of Manufacturers to Finance Retail Sales Result in Producer-Controlled Stores and Outlets?

¶ Has Installment Selling Met the Test of a Business Depression?

¶ Are Independent Finance Companies in the Ascendency? These and Other Vital Business Subjects Are Discussed in

Reviving Business by Financing Consumption

By Gilmore Iden

GREAT achievements have been recorded during the past decade in perfecting production in all lines, but selling methods have failed to maintain the same progressive pace. Now, when excess production has resulted in actual business depression it is natural that much thought should be given to the complex problems of distribution. In fact it seems pretty generally conceded that only by re-vitalizing consumption can the prosperity of the country be restored or maintained.

The Problem of Today

The presumption is that articles offered for sale are such as the public expresses a desire for, that they are of a quality that the consumers want, and that their manufacture is economic and their markets accessible. Individually a company producing an article of commerce may have control of most of these factors but it will have but a partial influence upon the ability of consumers to buy. High wages and widespread employment are reputed to be assured means of financing consumption, but that is a communal duty. Individually management might speed up the consumption of a commodity provided the company can finance its jobbing and its consumption.

Financing consumption, therefore, becomes one of the emergent problems of the day and the manner of handling it affords the key to the success or the failure of many an enterprise. Confessedly business has been passing through a tremendous transition. An individual enterprise can succeed only if it profits fully from these changed conditions. In days past the open book credit was ample when banking facilities were inadequate to make trade acceptances possible. But today it is being learned that the problems of financing production are simple in comparison with the problems of financing consumption.

Installment selling is by no means new, although it did attain to a great deal of notoriety during the past few years. That was largely due to the fact that progressive automobile manufacturers took it up in an endeavor to find a practical means of postponing the day when the market for cars would be satiated. The success of the automobile maker prompted others to adopt a like method of selling goods, therefore today radios, furniture, furnaces and many other household appliances are sold on the installment plan. More than 6 billion dollars represents the aggregate annual gross of the more than 1,500 finance companies which are today purchasing installment paper.

Success in installment selling, however, is at times concomitant with important industrial developments. Automobile manufacturers have in recent years been reduced in number from something like 300 to 20. A nationally advertised car, one that is well known around the world, naturally offers a safe credit risk as it can be repossessed and resold. The rapid spread of installment selling seems destined to record similar history in other industries.

Meeting the Test

Milan V. Ayres, analyst for the National Association of Finance Companies, is the authority for the statement that while the sales of new automobiles have this year declined 30 per cent, the decline in dollars of installment financing from automobile sales has been only 17 per cent. The financing of used cars has considerably increased. A prominent financing company reports a 17 per cent increase in net earnings during the first six months of 1930 as compared with the same period last year. It has been estimated upon good authority that at midsummer this year, when business was admittedly the slackest, of the total installment paper held by the leading finance companies only 0.31 per cent was past due 30 to 60

days, and only 0.19 per cent was past due over 60 days.

It seems pretty well established that the largest finance companies have experienced no alarming increase in repossessions because of defaulted installment paper. This may mean that there has been extant a fairly healthy condition among the masses, or it may mean that installment selling has weathered a business depression which had previously been heralded as the crucial test for this form of financing consumption.

Installment selling has induced vast amounts of new capital into a field that promised but minor opportunities only a few years ago. Today an association of such companies is engaged upon a program of mutual betterment, based upon intensive economic study and research. Their success has invited many copyists. Department stores have been offering ten-payment plans, six-months' credit plans, buying clubs and other variations of the installment system. But, like most substitutes, they have not made much headway.

The system has been spread to the equipment field, and endeavored to finance installment sales to manufacturers and re-users. But equipment is not always resalable, for it is frequently manufactured to order to fit a specific case. Therefore equipment financing is a specialized field that must be approached with care. It is gaining in volume but is still subject to careful test and investigation.

Progress in distribution, the elimination of the intermediate selling organization, and the closer union of the producer and retailer, together with the new and wiser application of the installment selling principle are important and highly desirable developments at a time when they are most needed. A convalescent business needs a tonic. What is more desirable for this purpose then sound stimulants to our national consumption?

Probably the most outstanding success in the field of financing installment sales is the General Motors Acceptance Corporation, which although owned by the motor company is allowed to operate independently and unhampered by the dictates of the subsidiary companies. Other producer-owned finance companies, however, have not worked nearly so well as too frequently sales necessities prompt the underwriting of questionable risks. During the past year there have been some notable changes in this field.

The General Contract Purchase Corporation, originally organized by the General Electric Company, has been sold to a system of industrial banks and is now known as the Industrial Finance Corporation. It today divides its financing between the electric, the automobile and a miscellaneous field, including the products of the Johns-Manville Company. Also the Pierce-Arrow Finance Corporation and Studebaker's Motor Dealers' Credit Corporation were acquired by the Commercial Investment Trust Corporation.

Industrial Banking

Installment selling very naturally approaches the field of industrial banking. This system of finance has intensified interest in consumer credit and is developing a new science in finance. During September of this year a convention of the American Association of Personal Finance Companies was held in Washington, D. C. These include personal finance companies which loan sums of $300 or less to borrowers upon the security of chattel mortgages, wage assignments or endorsed notes. Twenty-five states now have clearly defined regulating laws relating to this business. And it may prove surprising to some that offices licensed under the uniform small loan law or equivalent statute are handling 4,500,000 loans. The fact is interesting merely as indicating the growing importance in consumer financing, its safety and its volume.

The system would very naturally lend itself to abuse without proper safeguards. That is why the more influential leaders is such financing are doing all in their power to checkmate any possible unhealthy tendency. Debt is quite a different thing from credit. A credit abused will become a debt of serious proportions. Wage conditions will not dictate the safety of consumer credit, we cannot measure its risk by the prevailing economic conditions in business. The problem includes all of this and the added one of the moral character of the borrower.

Financing consumption, therefore is developing a new management genius in American industry. A salesman could never dictate the policies successfully. It would indeed be difficult for a merchant. Yet we see a new field of financing today developing from the installment sales plan of yesterday. A field which links the producer and the retailer directly. The General Motors Corporation, for instance, has taken a lead. First that company organized the General Motors Acceptance Corporation for the purpose of financing its wholesale and retail credit sales. Secondly it organized the General Exchange Insurance Corporation to supply fire and theft insurance on its cars sold at retail. Then was organized the Motor Accounting Company to install, audit and supervise standard accounting practices for distributors and dealers. Now it has organized the General Motors Holding Corporation for the purpose of underwriting dealers who need new capital.

The last is not primarily a bid for the control of outlets, although that is obviously its inspiration, but a plan to assist worthy dealers to take full advantage of their markets. The plan is to operate in such a manner that the dealer can purchase back that part of his capital structure advanced by the General Motors Holding Corporation.

Control of Outlets

There has been, on the other hand a very definite trend on the part of manufacturers to obtain control of their dealer outlets. The leasing of space in certain stores of Sears, Roebuck & Company to the Kroger Grocery Company for the sale of meats and groceries, has raised much speculation among merchants. It has been cited as a forerunner of any number of mergers in distribution. For instance the General Foods Corporation or E. R. Squibb & Sons might make arrangements with a chain store to handle General Foods or Squibb departments. Gasoline stations owned by Standard Oil are going to start to market a new automobile tire.

Certain chains of clothing stores have decided to discontinue handling nationally advertised brands of clothes and to sell only their private-brand clothes. In return some of the larger manufacturers of men's clothing are financing dealer outlets throughout the country. This will engage for them exclusive retail shops at key points.

In the grocery field, where the chain store idea has gained its strongest foothold, many innovations are

now being tried. The voluntary chains, as typified in the success of R. C. Williams with his Royal Scarlet organization, are creating a definite connection with independent stores, insuring proper credit risks. The wholesale grocers are organizing a new service to independent grocers, particularly having in mind operating in spite of the chains or in competition with the chains. Another experiment of having a whole town adopt cash payment for everything is being tried out. If it succeeds some rather interesting developments are likely to result. At the same time the Atlantic & Pacific Tea Company, one of the most noted of the grocery chains, has this year turned its attention from the problem of spreading its service and opening new outlets to the problem of increasing its sales in the outlets it now has. The volume of its sales has consequently increased and the tonnage of goods sold has grown. This chain is strongly solidifying itself in the communities it already serves.

In any comprehensive system of consumer financing the peculiar problems of the American market enter. The cost of merchandising, the excessive expense of reaching such a vast country, demands large amounts of capital. This is just as potent an influence in bringing about mergers and the elimination of small manufacturers as any other single thing. This is why the chain store has made such headway. This is why the trend is toward a few basic stores, such as drug stores, grocery stores, filling stations, outlets which will encompass all of the channels through which goods reach the consumer. It is an extension of the old English mart system where one could buy all of his wants at one stall.

Installment selling under manufacturers' control is just as likely to survive as will be the system of manufacturers' ownership of retail outlets. So long as the public confidence can be held such ownership will be permitted, but just as soon as it is demonstrated that the retail outlets are trying to *sell* the public, and are no longer buying *for* the public, then the trend will be the other way. Should that happen, of course, the system of merchandising will be unalterably divorced from the control of producers.

At the present moment, however, there seems to have developed a decided community of interest between the producer and the distributor in their endeavor to find some acceptable system of financing consumption and thereby of finding a more assured outlet for their product. The U. S. Department of Commerce reports that a survey of stores made this summer indicates that open credit sales or regular charge accounts represent 48.9 per cent, and installment sales 10.5 per cent of the business done. This is not truly indicative of the importance of installment sales as the survey took in only seven different lines and these were not lines which are popularly known as supplying the bulk of the installment sales of the country. The survey showed, however, that the total sales on credit in furniture stores was 91.1 per cent, in electrical stores 86.8 per cent, in jewelry stores 72.0 per cent, in women's specialty stores 66.1 per cent, in men's clothing stores 54.6 per cent, in department stores 54.5 per cent, and in shoe stores 47.4 per cent.

These figures offer no substantiation of the importance of new forms of consumer credit, but do indicate to what extent credit is controlling in particular lines of merchandise. The profits from financing installment paper are ample to attract large capital. Finance companies have made a strenuous endeavor to sell their services to many and various manufacturers. Their solicitations have been extremely aggressive during the past year. Some have been prevailed upon to try out the system cautiously. Other manufacturers who are endeavoring to sell on a low-cost basis and upon a narrow margin of profit have definitely put installment selling aside as increasing the cost of the article too much.

Some manufacturers selling through dealers prefer to offer a credit plan to such dealers as use the installment system of selling to the consumer. Such manufacturers do not actually purchase the paper but credit the dealer's account and handle the collections for him. The Steel Frame House Company, which this year began to market the Brisbane Steel Frame Cottage, is operating a full credit plan on the installment basis. This is similar

(*Please turn to page* 900)

Bear Tactics Screen Market Liquidation

Uncertain Business Conditions Real Basis of Recent Decline—Reluctance of Public in Market Participation Accentuates Weakness

By A. T. Miller

NOT since last Fall has Wall Street been deluged with such a flood of manufactured "disaster rumors" as were heard during the recent stages of the September price decline. To mention only a few of the most spectacular of these reports would include fake telegrams reporting the collapse of the Canadian wheat pool; spurious cables announcing a Fascisti coup d'etat in Berlin; rumors of new political revolutions rumbling up from South America, not to overlook an economic onslaught on the capitalistic nations of the world by Soviet Russia.

Such tactics are not new in a bear market by any means. But seldom have false rumors been so persistent nor so effective in unsettling confidence in the financial district. Ordinarily "bear tips" serve their purpose only for such brief periods of time that it takes to investigate and verify the truth or the lack of truth in the report. A sustained movement of prices has never been engineered on "news" alone—false or true. But within the past weeks, a steady stream of selling accompanied the "bad news," until it became impossible to determine whether the latest rumor was intended to explain the most recent selling wave or whether the most recent selling wave reflected a new rumor in the making.

With badly strained nerves and highly excited imaginations, traders found it difficult to draw up an intelligent picture of the economic and industrial situation at hand. No impelling motive for buying stocks seemed to remain as prices fell back in a sometimes rapid but always orderly retreat. Finally when special resistance points, previously calculated to stop the decline, were reached and passed through, it no longer became necessary to flood the Street with bear rumors. The downward movement was well under way by that time.

Realities in the Background

Behind all this smoke screen of false rumor lies the uncertainties in the current economic situation which are neither spurious in fact nor emotional in nature. Many of the great corporations, whose securities were being tested, are operating under the double handicap of low profit margins induced by falling prices and a smaller volume of business with industrial activity generally at a low ebb. In the first six months of the year, both their volume of business and margin of profit were more favorable. During that period, therefore, corporate earnings showed a sort of a tentative relation to stock values that was at least tolerable in an abnormal year. With materially lower earnings in the second half of the year, such a relation would be destroyed—in short valuations previously fixed for common stock investments would be forced to go by the boards with a poor display of earnings in the last six months.

Unfortunately, at the moment, we are in a sort of a "blind spot" as far as corporate earnings are concerned. Preliminary calculations have given much reason to generalize on the September quarter as a "poor quarter." Just how bad this showing will be, individually, still remains to be seen. At least a seasonal improvement in business has been pretty confidently expected. The height of the customary period of seasonal improvement falls about a month hence, meanwhile autumn's stimulation is slow in getting under way. That is about all we know at this critical time.

Shortly after this article appears, the official statements of corporate income in the third quarter will be starting to make their appearance. Shortly after that, the ability of business generally to exhibit its seasonal trend toward betterment will be more definitely tested. Then, and only then, will we be able to determine whether the known earning power in the first half is truly indicative of real earning power of business under abnormal conditions. If not, the market must find a new basis for stock valuations after all. This is the real explanation of the price decline which had gained so much momentum as the third quarter was drawing to a close. Rumors of revolutions, failures and assassinations were merely the false surface that has been painted to hide the real picture.

Public Out of the Market

The general public has not actively participated in the stock market this late summer and fall, except as it has reluctantly contributed to the liquidation forced out on price declines. When stocks moved up or down, the impetus has been supplied largely by professional buying and selling. It is interesting, therefore, to see what aims and purposes those who have assumed market leadership may have had in mind in these highly professional transactions.

Twice since the June decline, attempts have been made to pull the market up by its boot straps, and bid for a public following on the theory that an autumnal revival in business would be discounted in advance by the stock market. Twice the attempt failed.

On the occasion of the last failure, it was pointed out in

our market observations in this publication* that the more conservative stategy of permitting the market to discount an unfavorable third quarter would probably be employed The recent market decline, with all its hair raising rumors and spectacular selling waves is nothing more nor less than these tactics materializing.

In the process, the market has declined too far to engineer a change in trend by merely stimulating public buying interest. It is characteristic that at the low ebb of price movements, the buying power of the public is virtually paralyzed. In the fall of 1929, just such a situation developed and only the existence of a powerful banking pool prevented an absolute breakdown in the entire financial and investment machinery of the nation. In the present instance, the market is better prepared for such eventualities in the sense that it is not dependent upon public buying either for support or change in trend.

All through the current year, sentiment has been divided and the market built up some sort of a short interest, both professional and amateur. And this short interest, however much it may have contributed to price declines, has already shown itself to be a stabilizing influence. It may yet prove to be a sufficiently important factor to turn the market in its worst moments. After all last fall, sentiment was almost universally bullish *prior to the decline in prices,* notwithstanding the much touted prophecies of a few Jeremiahs, who were quite discredited at the time in fact by many previous cries of "Wolf, Wolf!" Today it is the kings and the over-lords who have been bearish—not these same prophets.

A Waiting Attitude

The decadence of public buying power, discussed above, is intended to refer primarily to the speculative buying that comes and goes in cyclic waves. It should not be overlooked that aside from its speculative interest, the American public is a powerful investment body, in season and out. Although the public does not have as much money for investment today as it had last year, it has, nevertheless, sent in a steady trickling of buying orders throughout the year. On the declines, this modest stream has been swelled to flood proportions by institutional buying and the long range investment accumulation of wealthy and sophisticated stock buyers.

But investment acquisitions, primarily intended for income purposes, is not the kind of buying that will bid up the market. And the "spread" that exists even at current levels between the income available from the best grade of investment common stocks and the yield on good bond investments, rather definitely establishes the support from investment buying somewhere "under the market"—perhaps always just under the market irrespective of prevailing price levels. Consequently, this investment buying cannot be depended upon the turn of the market either. At least not under any circumstances short of a wide open break in prices substantially below the November, 1929, low levels.

The fate of the market, especially in its near term aspects, can be truly said, therefore, to be in the hands of professional interests. By professionals we mean large private stockholders, the so-called "insiders" whether or not they elect to become officially identified with their company; the market sponsorship of bankers and brokers over the companies which they have financed in the past; pools and independent operators. This is the group that will turn the market, when it turns. At low prices they will be aided and abetted by investment acquisition of stocks, but even more than "outside buying," the professionals will need a real tangible prospect of better business conditions to maintain a sustained advance in stock prices.

Technical Factors

In the meantime the market will be finding its immediate future price trend by tests of technical strength and weakness. No arbitrary values can be set on securities until the business situation becomes less obscure. Thus we have the spectacle of price changes from day to day that involve revaluations of many hundreds of million dollars in the market worth of the securities represented — purely on technical considerations. A market that is at or close to levels where it found support on previous declines is indeed a critical and frankly dangerous market for the trading element. If values should clearly break through the November and June lows, the question of "the bottom" again becomes an open question. If this virgin price territory is entered at the expense of an excessively over-sold market, moreover, the dangers on the short side are equally great. Only those who are particularly apt at sensing the sudden shifting in buying or selling impulses can turn such a market situation to any real advantage.

The real investor in common stocks must be prepared to disregard the intermeditary price swings of his holdings, as long as he is satisfied that the individual selection represents a sound income paying issue, acquired at a cost that produces a rate of return suitable for his current purposes. There are interesting situations for such an investor in the present market. But to buy stocks merely because they look cheap in comparison with yesterday's price or a quotation made last month, is unsatisfactory in any sort of a market and particularly ill advised now, in view of the uncertainties of the current market.

Keystone View

A Worm's-Eye View of Wall Street

* The Market Prospect, issue of September 20, 1930.

Things To

shaped to chair form. Some roads have dolled up the outside of their coaches. Rickenbacker may be right when he predicts 50,000,000 automobiles in the United States and no more passenger trains, but the railways beg to differ.

There is talk of 14-hour trains from New York to Chicago, and the shorter runs are being speeded up. The New York-Washington time has been cut to 4½ hours or better. Terminals are being rebuilt everywhere. Freight trains are running on passenger train time and the fashion of such long trains that the engines spent more time starting than hauling is waning. At that, new engines are capable of hauling heavy trains at 60 miles an hour. Grade crossings are being eliminated, grades reduced, curves flattened. With heavier rails, ball bearings on axles, improved springs and gentler use of the throttle and brake the reclining passenger sometimes wonders why the train is standing when it is actually moving swiftly. Whatever, between airplanes and automobiles, the future may have in store for the railways, it is evident that they intend to do their best to shape their own destiny. They seem determined to rescue a fair portion of the declining passenger revenue and they are on the right track.

* * *

The Railways Snap Into It

A POPULAR wise-crack has it that the only improvement in Pullman cars during twenty years was the introduction of a slot in the men's dressing room for the disposition of dull safety razor blades. It's different now. The seats in chair cars have been adjusted to the human form, and one no longer spends the entire journey trying to keep a permanent curve out of his neck. Electric heating is replacing steam, with possibilities of escaping broiling in lower berths in winter. Lounge cars have been deprived of the slippery leather seats—which had the advantage of giving the lounger something to do—and they have a variety of easy chairs and real lounges. Observation ends are enclosed so that the traveler may take in the scenery without absorbing soot and cinders. You can have a whole sleeping car section to yourself, with the upper berth up and empty, instead of down and empty, for an additional consideration. The day coaches have been brightened up inside, reclining chairs on night trains have at last reached the East and each half of the ordinary car seat has been

Air-Minded China

CHINA has at least partly answered the question of her deficiency of highways and transportation facilities by her recently developed air-mindedness. Both air mail and passenger routes are being inaugurated and, what is more important to American investors, will be operated by a leading American company under a ten-year contract recently concluded by which operators share directly in the income of the system. Air transportation is rapidly increasing in many parts of the Orient and with the additional route

Think About

which the Chinese company now proposes, important shipping and coastal points will be linked with the interior.

* * *

Is Branch Banking the Answer?

FOUR hundred and seventy-one banks failed in the first six months of the current year, involving deposit liabilities of $210,000,000. Obviously, most of them were small banks, 409 of them were not members of the Federal Reserve. The business depression accounts in part for these failures, but not entirely. The rate of failures over the past ten years—even in the most prosperous years of the decade—indicates something wrong with our current system. "Inadequate capitalization, and too liberal granting of charters," say the advocates of independent banks. "Too many small banks in rural communities," say the branch banking adherents. The latter support their case with the statement that failures in the larger cities, where the institutions are naturally bigger, are very much in the minority. Meanwhile group banking under central holding companies continues to grow in many parts of the country and branch banking, on a national scale, is straining at the leash waiting for legislative sanction.

* * *

More Diesel Engines

THE Diesel engine has steadily been finding broader and broader fields of application until today it ranks as one of the most important sources of power. Operating on heavy and low priced grades of oil with economy and efficiency makes it far superior for many uses to the internal combustion or even the steam engine. In regions where coal is not readily obtainable it finds broad application for public utility purposes in the generation of electric power. The Diesel engine has come to be extensively used for propulsion of both large and small vessels. The all-electric locomotive is coming into wider use with a saving of 75% in fuel economy. Several of the leading railroads are installing Diesel electric cars for local passenger service. The Diesel electric motor bus promises to be a large factor in this growing field of transportation. Even in aviation the Diesel engine is making itself felt as a potent factor in motive power, both for dirigibles and aeroplanes. It is inevitable that this growing field of application of Diesel motor power will bring increasing business and larger revenues to many companies engaged in their manufacture; for production of Diesels has not been confined in any one hand. One of the leading automobile companies is a rising factor in the production of Diesels. A large pump works is engaged in extensive output and many more companies will doubtless enter the field as this highly economical source of power becomes more clearly recognized.

* * *

Locomotive Buying

THE New Haven R. R. has recently placed an order with the General Electric Company for ten giant locomotives. Each of these 200-ton giants will develop 3,500 horsepower which will enable them to move 15 80-ton pullman cars at a speed of 65 miles an hour. They will cost in the neighborhood of $200,000 apiece.

* * *

Commodity Bargains?

INCREASED buying of raw materials indicates that some industrial leaders believe that commodity prices have about reached bottom. In this connection it is significant to note that the Western Electric Company has purchased enough copper recently to take care of the requirements of the entire Bell System for four months. There are indications of like purchasing in heavy chemicals and to a lesser degree in steel. It is such straws that show which way the wind is blowing.

* * *

Retail Prices Succumb

ALTHOUGH it may not be commonly realized the downward sweep of wholesale commodity prices is finding some reflection in retail prices. Of course, it is true that the average cost of food is about 47% above the 1913 level but the average level of food prices has declined 10% in the last twelve months. According to the Bureau of Labor Statistics food prices declined another ½% from July 15 to August 15. This trend is likely to continue even though wholesale prices stabilize at current levels, since there is always an appreciable lag between wholesale and retail prices, and the purchasing power of the dollar may be expected to increase gradually for several months to come.

* * *

Water for 6,000,000

LOS ANGELES extended herself to the ocean to get a port and now she is getting ready to extend herself, via a conduit, to Arizona for water for domestic purposes. Her present water supply, with minor additions, will take care of only 2,000,000 people, and all around is desert and aridity. The boomers have not worried about getting 4,000,000 more people but even their optimism has been eclipsed a bit by how to water them. When Secretary Wilbur drove that silver spike in the new railway line to Hoover dam (to be) on the Colorado river he as good as settled the question of 6,000,000 people for Los Angeles, so the Angelenos think. It takes super-boomers to get Uncle Sam to spend $125,000,000.

* * *

Russian Competition Again

THE development of Russian industries continues to increase potential competition with American products in world's markets. Two examples of this are recently manifested in rayon and canned goods. Present Soviet plans call for the construction of eleven rayon plants to be placed in operation within the next three years. Contracts have already been awarded to German textile engineers and rayon machinery manufacturers for building these plants. It is understood that orders have also been placed for $35,000,000 worth of canning machinery and supplies with indications that Russia is going vigorously into production of canned foods under government ownership. Present plans call for the production of 4,000,000,000 cans for the year 1932-33 and at a higher rate thereafter. Not only does this hold a threat to the foreign trade of our own canned products but may some day possibly menace our container industry.

Scrutinize Your Foreign Bonds

Numerous Issues, Including South American, Australian, German and Italian Bonds, Demand Careful Appraisal — Re-investment Opportunities Suggested

By W. R. Smith

THE world-wide character of the present business unsettlement and, in particular, the latest unexpected news from South America, Australia and Germany prompts the investor to ask himself at this time, "Should I sell or retain my foreign bond holdings?" and if their sale is advisable, "What sounder issues would be more suitable for the reinvestment of my capital?"

In considering these two important questions, we must not overlook the fact that occasionally depression and political strife open the way for profitable investment in foreign securities. Nor must we neglect to consider the time interval that under ordinary world conditions may be expected to elapse before foreign trade and foreign buying power can be counted upon to recover and restore international investment confidence in the foreign bond market.

America's Stake in South America

Turning first to the South American bond issues—obligations which have been held in increasing favor by American investors up until late 1929, on account of the tremendous natural resources of the countries involved and the huge recently made investments of American capital, enterprise and efficiency—the situation at present is highly uncertain, and this condition bids fair to spread over a considerable interval of time before some semblance of lasting recovery sets in.

Moreover, it is a peculiarity of the South American bond market that favorable or unfavorable developments in one of the individual political subdivisions have a rather prompt effect on nearly all of the other countries' investment obligations. For example, the revolution in Bolivia last June unsettled nearly the whole South American bond list. And when this preliminary outburst was followed some two months later by the Peruvian upset—again investment confidence in South American issues was quite generally shaken.

But when the recent Argentine revolution dropped suddenly out of an apparently clear sky, the repercussions were noticeably uniform throughout the entire South American security list. Added to these unsettling developments are the rumors which have recently appeared of contemplated attempts to overthrow the governments in both Chile and Brazil — leaving Uruguay and Colombia as the only two countries of investment importance as yet unscathed.

In Colombia a business depression has persisted now for over a year; and with a new and especially capable government just elected through public vote, the chances of revolution and further adverse effect upon the South American bond market from this source appear negligible.

Latin-American Characteristics

Out of the rapidly flowing stream of all-important events in present-day South American history, let us endeavor to harpoon a few vital facts and arrive at some conclusions that will serve to indicate the soundest procedure for the South American security investor who has retained his holdings up to the present time.

Past history reveals—and present-day reports confirm—the fact that the existing administration in any country bears the brunt of any period of business and industrial depression. Changes of government are rare and of little significance when business is good. But the feeling persists among the native South American populace that in times of depression and hardship a change of the administrative leaders is the quickest and most effective remedy.

Disregarding for a moment the logic of this depression-cure reasoning, we must not overlook the easily excited and temperamental nature of the people inhabiting this vast continent. The rifle promptly replaces the ballot box; and the bond market oscillates with increasing uncertainty as the laboriously built wall of investment confidence is repeatedly stormed and undermined.

Status of Individual South American Issues

The reputation which the Argentine possesses of being the most prosperous and progressive country in South America should continue to stand in favor of its external dollar obligations. Likewise, its unblemished debt record for nearly thirty years is an important factor to be reckoned with.

In the case of Bolivia, the major importance of tin in its exports and the highly uncertain outlook for the price of this commodity now prevailing contribute toward a less favorable prospect for Bolivian bonds.

In Brazil the downward trend of coffee has wrecked havoc with the government's income and with most Brazilian securities—and the end does not yet appear in view. Some of the important Brazilian states—such as Sao Paulo, Rio Grande do Sul and Minas Geraes—have a fairly good individual past record; but the outlook for any of them is not particularly bright at this time, and their securities can to advantage be replaced by sounder issues.

Chile appears to have an able and progressive administration at present, and barring any important changes, we believe its external obligations are entitled to some preferential treatment by investors. Should the current rumors

of impending revolution develop into fact, even here the bondholder would have just cause for concern.

Colombia, on the other hand, is still engulfed in a persistent business depression, part of which may be accounted for by the previous attempts to develop the huge natural resources of this area at too rapid a pace. Eventually the external obligations of this richly endowed area should be taken care of without difficulty; but in the months immediately ahead, its securities will probably follow closely the general trend of South American issues.

Summing the South American bond situation up, we feel that the new governments in power, and particularly the Uriburuan administrative forces in the Argentine, must necessarily pass through a "seasoning" period before investment confidence is again restored. External dollar obligations of the strongest of these countries will probably continue to be serviced throughout the depression, in view of the vital future need for American capital; but in the case of the issues listed in the accompanying table, we believe the investor seeking security as well as a reasonable yield can place his capital to work elsewhere to much greater advantage.

The Australian bond market has been hard hit by the unfortunate financial condition of the Commonwealth — a condition which has been greatly aggravated in the past six months by the sharp declines in commodity prices and volume of export trade. Farm production in 1929 was unusually small, and on top of this disaster has been superimposed falling wool and wheat prices—vital to this country whose wealth is largely founded upon agriculture and cattle and sheep raising —not to mention higher taxes and stringency of available foreign capital.

Large loans have been floated in recent years by various public enterprises, in an endeavor to place the Commonwealth among the leaders in civic progress; but unfortunately many of these ventures have only come back like a boomerang and contributed as much as $50,000,000 annually to the deficit. The year 1930 has witnessed the culmination of all of these ventures in an inability to meet current obligations.

Since Australia is a member of the British Empire, its obligations may be expected to be taken care of when due. The Bank of England has already taken up all near-term maturities and offered definite financial assistance to tide the Commonwealth over its present grave, but temporary, difficulties. Drastic steps to restore a favorable trade balance are being resorted to; but despite these helpful steps now being taken, the unfavorable prospects for some time to come may be counted upon to discourage bond investors from making additional commitments in the securities of the Commonwealth. More attractive issues, suitable for switches, will be found in the accompanying table.

Italian and German Bonds Not for Conservative Investors

Italian bond issues have nearly always carried a high return to the interested investor—a yield that to date has worked out much to the advantage of the holder. But merely because Fascism has been successful to date is no indication that stability of government has finally been achieved. Investors should not neglect to consider the temperamental nature of the people — desirable from an artistic standpoint, but unfortunate from the financial viewpoint—the growing and already serious population problems, and the relatively low per capita wealth of the population which derives its livelihood largely from agricultural pursuits.

Italian bonds enjoy a financial background at the present time, insofar as the government issues are concerned, which appears to be sound. But we would caution the conservative bond buyer, and those who are unable to assume a speculative risk, to place only a small portion of his funds

(*Please turn to page 902*)

Foreign Bonds Currently Possessing a High Element of Risk and Which Appear Unsuitable for Continued Holding

	Price	Yield %
* Dept. of Antioquia External "C" 7's, 1945	75	9.21
* City of Bogota External S. F. 8's, 1945	95	8.61
* U. S. of Brazil External S. F. (1926) 6½'s, 1957	73½	9.17
* U. S. of Brazil External S. F. (1927) 6½'s, 1957	71¾	9.39
* City of Brisbane (Australia) Guar. S. F. 5's, 1957	81¼	6.46
* Kingdom of Bulgaria Secured (1926) 7's, 1967	80	8.93
* Dept. of Cundinamarca (Colombia) Ext. Sec. S. F. 6½'s, 1959	68	9.86
* Hungarian Consol. Municipal Loan Sec. S. F. 7's, 1946	88	8.37
† City of Lima (Peru) Ext. Sec. S. F. 6½'s, 1958	68	9.89
† State of Maranhao (Brazil) Ext. Sec. 7's, 1958	70	10.28
* State of Minas Geraes (Brazil) Ext. 6½'s, 1958	70	9.61
* State of Pernambuco Ext. Sec. 7's, 1947	78	9.78
* Republic of Peru Nat. Loan 6's, 1960	66⅝	9.38
* Rio de Janeiro (Brazil) Sec. S. F. 6½'s, 1953	67	10.29
* Rio Grande do Sul (Brazil) Exter. S. F. 6's, 1968	64¼	9.46
* City of Sao Paulo (Brazil) Ext. S. F. 6's, 1968	66½	9.17

Bonds Suitable for the Reinvestment of Funds Liquidated Offering Security, Good Prospects and Reasonable Yield

	Price	Yield %	Call Price
† Dept. of Akershus (Norway) Ext. 5's, 1963	96	5.26	100('33)
* Kingdom of Denmark 6's, 1942	105	5.39	105
* Gov. of Newfoundland 20 yr. 5½'s, 1942	104	5.05	N.C.
* City of Oslo S. F. 6's, 1955	103	5.77	100('35)
† American Power & Light 6's, 2016	108	5.56	110
† Independent Oil & Gas Convertible 6s, 1939	103	5.60	104
† Louisiana Power & Light 1st 5's, 1957	99⅞	5.01	105
* N. Y. Trap Rock 1st 6's, 1946	102	5.85	105
* Phillips Petroleum Co. 5¼'s, 1939	97	5.70	102½
* Utah Power & Light 1st 5's, 1944	102	4.79	105
* Boston & Maine First Mortgage 5's, 1955	101	4.95	105
* Missouri Pacific Gen. Mortgage 4's, 1975	80¾	5.10	N.C.

* Listed on New York Stock Exchange. † Listed on New York Curb Exchange.

CONSOLIDATED GAS OF BALTIMORE

Lower Rates Bring Larger Revenues

As Well As Excellent Public Relations—Steady Growth of Territory Contributes to Strong Position —A Commonly Overlooked Investment Opportunity

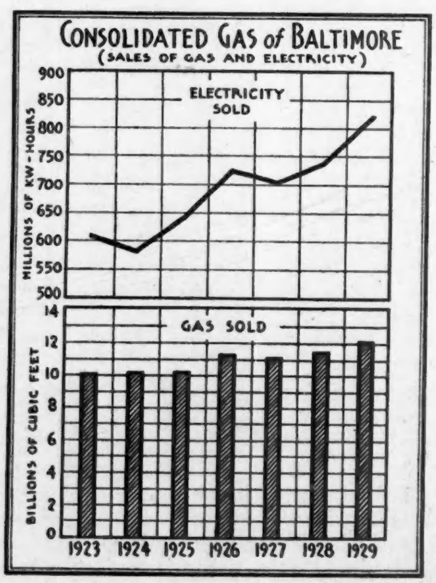
By William Knodel

LESS well-known perhaps than many of the larger public utility operating companies and most of the large holding company systems, Consolidated Gas, Electric Light & Power Co. of Baltimore, is, nevertheless, one of the most progressive and successful enterprises of its kind in the country. The growth and development of the company has been guided by exceptionally sound management, thoroughly imbued with the spirit of co-operation from the viewpoint both of rendering various types of utility services at the lowest cost possible and attracting industries to the territory. As a result of its policies, the company has earned for itself a reputation which may well be envied by any company in the entire public utility field.

Consolidated Gas of Baltimore, as the company is more popularly known, serves the city of that name, providing the entire gas and electric light and power business under unlimited franchises and without competition, but operations also extend well into surrounding territory. The area of Baltimore City alone is 92 square miles, but the total area covered by electric service is approximately 1,600 square miles, with a total population of about 1,040,000. Supplementary services such as steam for heating is supplied to the central business district of Baltimore and for certain manufacturing operations, and cold storage service also is provided.

Both the electric and gas branches of the company's business have shown rapid and consistent expansion for many years due partly to the steady increase in use per customer of these services, to the growth in the number of customers served owing to growth in population, and to the extension of the company's electric and gas lines into the rural district. Furthermore, the use of electric power and of gas for industrial operations has increased very considerably through the expansion of the existing industries and by the addition of new industries attracted by Baltimore's excellent advantages for the location of industrial establishments, both large and small.

Baltimore's growth as a commercial and industrial center is favored by a number of physical factors. The city ranks as the second largest port on the Atlantic seaboard, having available 127 miles of deep-water frontage of which 45 is fully developed. This, together with the excellent transportation facilities that are available, and the equitable climate are factors steadily attracting a large variety of industrial enterprises, with an attendant gain in population and increased business for Consolidated Gas. Indeed, the city was selected by the Western Electric Co. in 1928 for the erection of what is destined to be its largest manufacturing plant, the first units of which have been completed and are already in operation. The building and grounds will eventually cover an area of 125 acres and the operations in a few years will require 30,000 employes and 50,000 horsepower in electric energy. Consolidated Gas of Baltimore has contracted to supply the plant with all its requirements for electric power and for steam for heating and processing.



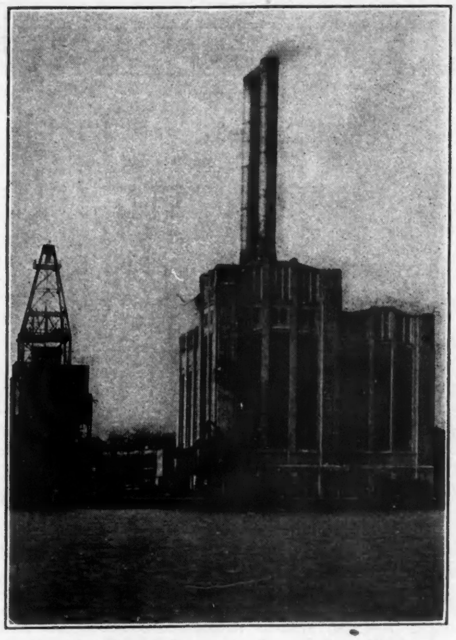
The growth of Baltimore has been steady for many years, but a more rapid development is anticipated over the next decade. In the past two decades, for instance, industrial output has increased 275%, payrolls have trebled, the tonnage of the port has doubled, the assessable property has increased by more than a billion and a quarter dollars, and the population has gained 50%. This growth has of course tremendously benefited Consolidated Gas of Baltimore, but the company on its part has always followed the policy of providing utility services both for industrial and domestic uses at the

lowest rates possible, thereby doing everything within its power to encourage the further development of the city.

Rate Reductions Stimulate Use

From time to time, the company has reduced the rates for its services and has found that the effect was to increase the consumption after a reasonable period to a point where its revenues were greater than before the reduction was made. In other words, both the company and the customers have benefited by these rate reductions and the public relations as a consequence are excellent. On November 1, 1929, the company put through an appreciable reduction in both the gas and electric rates amounting to a total of about $1,300,000 on the basis of last year's consumption. Judging from the effects rate reductions have had on the company's earnings in the past instances where these were inaugurated, earnings will probably be checked only temporarily and by 1931 business in its services will be stimulated to the extent where the upward trend will be resumed.

Illustrative of the public's attitude toward the company's management and policies is the following comment from an editorial in one of the Baltimore newspapers relative to the rate reductions of November of last year. . . . . "Much of the company's prosperity, it is only fair to say, has been due to enlightened and progressive management. Even before this week's cut in rates, prices for the company's services compared most favorably with those charged in other cities, and its methods of dealing with its customers has been such as to build up steadily an element of good-will possessed by few utilities." Another paper said: "The Consolidated has made an enviable record for winning public confidence. . . . . And, after all, a public utility's greatest asset is the confidence of its patrons."



Gould Street Electric Generating Station

The average electric rate for domestic service since the latest reduction is now well under 5 cents per kilowatt-hour, which compares with 5.33 cents average for the year 1929 and 7.33 for the year 1919. In a twelve-year period, electric rates have therefore decreased 33%, but this was accompanied by a gain of over 50% in the amount of current consumed by each customer. The rates charged for gas are also unusually low, the average price received by the company for all gas sold in 1929 was 78.13 cents per thousand cubic feet as compared with the average price received for manufactured gas in the entire country of $1.01 per thousand cubic feet. The average price for the current year will be under 75 cents per thousand cubic feet.

Low rates for services together with the further extension of inducement rates will encourage customers to increase their consumption economically through the use of various kinds of electric current and gas consuming devices that can now be used to greater advantage. In this category particularly are the electric range, the electric water heater and the gas-fired boiler for house-heating, the cost of operation of which appliances now competes favorably with coal. The company is active in campaigns designed to stimulate interest and use of appliances, and sells large amounts of these direct to its consumers.

Hydro and Steam Generation Co-ordinated

The necessity of providing an ever-increasing supply of electric power and gas has meant the constant addition to plant and distributing facilities to keep ahead of the demand for these services. In accomplishing this, there has been developed a scientifically co-ordinated power supply resulting from the interconnection of a great hydro-electric plant with economical coal burning generating stations located at tide-water. The electric generating capacity owned by the company has about 346,000 horsepower. Last year, about 38% of the power requirements were purchased under a long term contract with the Pennsylvania Water & Power Co., which has a hydro-electric development on the Susquehanna River at Holtwood with a capacity of more than 100,000 horsepower. This plant, however, has nearly reached the limit of its capacity, a situation which has led to the starting of a new hydro development about eight miles above Holtwood to be built

(*Please turn to page* 894)

Five Year Record — Consolidated Gas, Electric Light & Power Co. of Baltimore

	1925	1926	1927	1928	1929
Gross Operating Revenues	$22,746,142	$24,710,604	$24,657,000	$26,126,194	$28,017,378
Net Operating Revenue after Expenses and Taxes.	9,628,632	9,676,130	9,528,944	10,675,285	11,816,760
Ratio of Operating Expenses and Taxes to Gross.	57.67%	60.84%	61.35%	59.14%	57.82%
Retirement Expense (depreciation)..............	1,493,545	1,545,364	1,628,969	1,890,940	1,984,341
Net on Common after all charges..................	4,620,261	4,719,704	4,309,975	5,193,030	6,582,468
Earned per Share Commen	6.41	5.64	4.62	5.49	6.44
Dividend per Share Common.......................	2.12½	2.50	2.62½	3.00	3.15

INDUSTRIALS

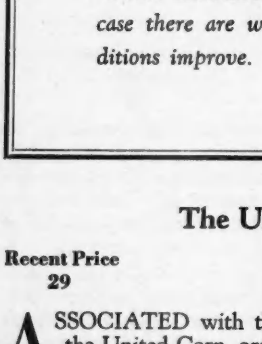
Investment Opportunities Among Low-Priced Dividend Payers

The issues selected under this heading represent fundamentally sound companies in a strong position in their industries. They are currently selling at relatively low levels, but for reasons peculiar to each case there are well defined prospects for substantial appreciation in value as business and market conditions improve. They may therefore be advantageously acquired in periods of general price weakness and held for higher levels.

The United Corp.

Recent Price	Dividend	Yield
29	$0.50	1.72%

ASSOCIATED with the idea of regional superpower, the United Corp. organized as recently as January 7, 1929, has within the short space of its existence already become allied through ownership of large blocks of common stock in six of the most important utility systems operating in the eastern part of the United States. Under the terms of its charter, the United Corp. is purely an investment company and does not have as its purpose the management of the companies in which it may become interested, but rather will leave these matters entirely in the hands of the present management.



United Corp.'s interest in the six utility systems referred to, while in no case amounting to control, is sufficiently large either directly or through affiliates to discourage other groups from attempting to control or dominate the properties, a fact which would indicate the purpose of allying these systems and perhaps others at some future date into a regional superpower and supergas project. Specifically these six systems are United Gas Improvement, Columbia Gas & Electric, Public Service of New Jersey, Commonwealth & Southern, Niagara Hudson Power, and Consolidated Gas of New York. To a much smaller extent, United has investments in other utility companies and also companies outside of the utility field, one of the more important of these commitments being in Electric Bond & Share.

If the idea of superpower is to be carried out further, it is logical that United will from time to time in the future acquire interests in other large systems operating in the eastern territory, probably accomplished in the usual manner by an exchange offer between its own shares, either or both common and preferred, and those of the system of which the common stock is to be acquired. Not only can United serve as a vehicle whereby the affiliated systems will enter into closer cooperation, but fusions and mergers will be facilitated if these are logical and economical.

At current prices for its holdings (September 16), United's portfolio is worth in the aggregate approximately $560,000,000, equivalent to about $35 per share on the common stock. The dividends on its holdings constitute the chief source of the company's income, although profits may be realized occasionally from the sale of certain securities held as temporary investments. Estimated earnings on the basis of present holdings exclusive of stock dividends are put at $18,368,259, equivalent after payment of preference dividends to 89 cents a share on the common stock.

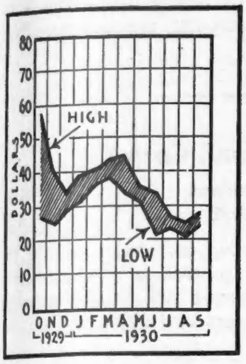
An initial dividend of 50 cents is payable to stockholders on October 1, but next year, it has been announced, the stock will go on an annual basis of 75 cents per share. This latter represents a yield of only 2.3% on the recent price of 33, but in evaluating the stock, the fact that a considerable part of the earnings of the companies in which United has investments is retained by them rather than distributed as dividends must be taken into consideration. United's dividend will no doubt be raised as the dividends on its own holdings are increased. All considered, the common stock of United Corp. is an attractive holding because it does represent a diversified commitment in what are probably the best utility systems in the East, with additional possibilities in future developments in superpower and super gas.

The International Nickel Co. of Canada, Ltd.

Recent Price	Dividend	Yield
22	$1.00	4.6%

THE monopoly of a natural resource in which anyone can obtain an interest is a rarity, but in the case of The International Nickel Co. of Canada, Ltd., such an opportunity is presented and for $25 or so, one can become a partner in a business which has world control over an essential commodity. This company was formerly

a wholly owned subsidiary of The International Nickel Co. (N. J.), but when the Mond nickel interests were absorbed in 1928, it was decided, Canada being the center of operations, to make the erstwhile subsidiary the parent company. The International Nickel Co. of Canada, Ltd., then became the predominant factor in the industry, with control over more than 90% of the world's supply. Not content with this "extensive" expansion, the company launched an ambitious "intensive" program. This has now been almost completed and company is in a position to meet any demand that might arise.



The manner in which the consumption of nickel has grown has been truly remarkable and reflects the constant development of new uses. Great credit must be given to the research departments maintained by The International Nickel Co. of Canada, Ltd., for their share in this development. Nickel instead of being in demand almost solely for the manufacture of armor plate is now considered indispensable to every industry.

The property of The International Nickel Co. of Canada, Ltd., consists of about 100,000 acres of land, containing known ore reserves of over 200 million tons, of this about 135 million tons have been blocked out in the Frood Mine which is located in the Sudbury district, Ontario. These known reserves are estimated to last some thirty years at the present rate of consumption but if one takes into consideration the almost certain probability of their being a great deal more ore than that already mapped, a shortage of nickel becomes a very remote prospect. In addition to land, The International Nickel Co. of Canada, Ltd., owns and operates smelters or refineries in Canada and England, Rolling Mills in the United States and England, a colliery in Wales, a foundry in New Jersey, hydroelectric power plants in Canada and research laboratories in the United States and in England.

It should be noted that this company is rapidly becoming an important producer of copper, due to the fact that this metal is appearing in increasing quantities in conjunction with the nickel ore.

The present capitalization of the company, giving effect to the additional stock offered to holders of record last August, consists of 14,609,467 shares of no par common, 3,724,450 shares of $5 par, 7% cumulative preferred and 89,325 shares of $100 par, 7% cumulative preferred. Funded debt, including that of subsidiaries, amounts to about $9,000,000.

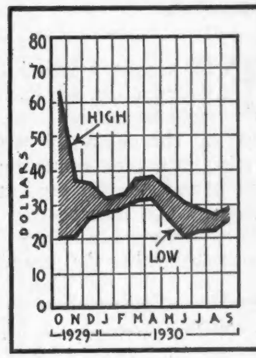
Net income for the six months ended June 30, 1930, amounted to $7,883,874 and compares with $11,238,176 shown for the corresponding period last year. These figures are equal to $0.50 and $0.74 per share of common respectively.

The lower earnings for the first half of the current year reflect the lower price for copper and some falling off in the demand for certain nickel alloys. The present somewhat unfavorable situation has, it would seem, been amply discounted in the market price and when one considers the unique position held by this company, the stock appears an extremely interesting long term speculation. The International Nickel Co. of Canada, Ltd., is currently selling on the New York Stock Exchange at about $25 per share. The stock is on an annual dividend basis of $1 which, therefore, affords a yield of 4%.

Commercial Solvents Corp.

Recent Price	Dividend	Yield
23	$1.00 + extras	4.4%

A SOUND policy with respect to diversification of a company's activities has the two-fold object of increasing the earnings and at the same time stabilizing them, or at least mitigating the fluctuation of income from a period of prosperity to one of depression. Commercial Solvents Corp. has been following a discriminate policy of diversification in recent years, that is to say, one which applies primarily to rounding out its position in the paint and lacquer industry, rather than branching out into unrelated lines. This has been accomplished both by the acquisition of other concerns whose products would fit in with its own, and by internal expansion of the company into related products. The ultimate result is to strengthen the company's position in the industry besides tending to stabilize the earnings with beneficial effect to the stockholders.



The principal product of Commercial Solvents and that which largely accounts for its success in the chemical field, is butanol or butyl alcohol. This product is used mainly as the solvent or thinner in the manufacture of lacquer paints but it also finds use in over 40 industrial processes. Because almost 80% of all butanol is used in the form of butyl acetate, a product which results from the addition of acetic acid, the company has decided to embark on the manufacture of its own supply of this latter product, and is erecting a plant for this purpose. The first unit will take care of about 25% of the normal company demand, but later additional capacity may be provided so that the company will be able to control the supply of this important raw material.

Other principal products are acetone and ethyl alcohol, while methanol, acetates, carbon dioxide and by-products are also produced. Last year, Commercial Pigments Corp. was acquired, an important manufacturer of titanium dioxide, a material of similar use to white lead and finding an increasing market in the paint trade. In fact, the capacity of this plant is being increased to more than double its former output. Commercial Pigments, moreover, through its control of a British subsidiary, the Travancore Minerals Co., owns one of the largest deposits of high grade titanium oxide in the world.

The effect of diversification can be seen in the widened markets for the company's products. The largest customer is still the automobile industry which accounts for about 25% of the total business, comparing with 40% formerly, but an increasing business is done with the paint, artificial silk, textile, and other industries.

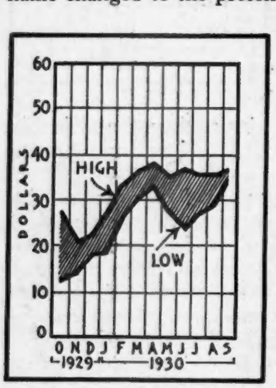
The business, of course, is subject to general industrial conditions and this fact is reflected in a decline in profits to 60 cents per share for the first half of the current year as against 76 cents in the corresponding period of 1929. The second half of this year will probably show little or no improvement so that 1930 earnings will be considerably below the $1.48 per share earned last year, but may be somewhere between the $1.24 earned in 1928 and 85 cents in 1927. The style of capitalization is simple in the extreme consisting only of common stock of which there are 2,481,232 shares outstanding. On the basis of the cash dividend, of $1 per annum the stock returns a yield of

about 40% on the current price of 25, but in addition the company has been paying 4% in stock. Some change may be made in the latter, but dependent on a recovery in industry the company's prospects appear good for renewed progress.

United States Pipe & Foundry Co.

Recent Price	Dividend	Yield
31	$2.00	6.4%

THE success attained by the United States Pipe & Foundry Co. has been due primarily to the exclusive right to manufacture in the two Americas cast iron pipe by the deLavaud process. This process consists in casting iron pipe centrifugally, and results in a cheaper, lighter and stronger product, adaptable to many uses. The company was incorporated in New Jersey in 1899 as the United States Cast Iron Pipe & Foundry Co. and the name changed to the present one in the early part of 1929. United States Pipe & Foundry Co. operates ten widely separated plants, which have an estimated capacity equal to 75% of the total capacity of the country.



The deLavaud process was first used in this country in 1922, but it was not until some two or three years later that large scale operations were attained. The initial success was tremendous, earnings reaching a maximum in 1924, but with the improvement in other manufacturing methods and the importation of large quantities of pipe, principally from France, the company became increasingly subject to competition. The recent raising of our tariff on pipe, however, from 20% to 25% ad valorem, should do much to alleviate the second of these unfavorable factors.

The present capitalization of United States Pipe & Foundry Co. consists of 600,000 shares of common stock, $20 par and 600,000 shares of $1.20 no par cumulative preferred stock. There is no funded debt. There was previously outstanding an issue of second preferred stock, but this was redeemed in July of this year. This action will result in an annual dividend saving of about $227,000, equal to 38 cents per share of common. The company reported a remarkably strong balance sheet position as of December 31, 1929. Current assets amounted to over $20,000,000, of which $13,300,000 consisted of cash, governmental and municipal securities, while current liabilities amounted to but $1,600,000. From this it will be seen that the retirement of the second preferred stock presented no difficulties.

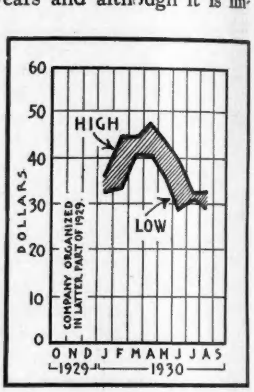
Net income registered declining tendencies from the all time peak of 1924 until 1928. During 1929, however, there was a turn for the better, which gives every indication of carrying through for some little time. For the first six months of the present year the company reported earnings equal to $1.75 per share of common, which compares very favorably with 60 cents per share shown for the corresponding period of 1929. This improvement is the direct result of the ease in money. Municipalities and others are now carrying out water, gas and like construction work, which, during the period of high money rates, had been postponed due to financing difficulties. For the second half of the present year an even better showing is anticipated It is said that, with the help of the new tariff, $5 per share should be shown.

The common stock of United States Pipe & Foundry Co., listed on the New York Stock Exchange, is on a $2 annual dividend basis, which at current prices of around $34 per share affords a yield of nearly 6%. This, considering the favorable future prospects, appears more than ordinarily liberal.

Marine Midland Corp.

Recent Price	Dividend	Yield
30	$1.20	4%

THE tendency towards holding companies and the resultant centralization of control is a phenomenon which has spread with almost unbelievable rapidity during the last two or three years and although it is impossible to gauge all the effects, we may be sure of at least one. This is that many inconvenient laws have now become no more than "legal technicalities." As a specific instance it can be shown that the legal barrier to country wide branch banking has been surmounted by means of the holding company and that expansion prohibited in one way has been achieved in another. Marine Midland Corp. a "bank holding company," was chartered by the State of Delaware during the latter part of 1929.



This company controls over 98% of the entire capital stock of sixteen bank and trust companies, serving important industrial and agricultural sections of New York State. The most recent acquisition, giving the company a direct contact with the world's money market, has been the Fidelity Trust Co. of New York, now known as the Marine Midland Trust Co. of New York. Although it is understood that complete local autonomy, in order to preserve good-will and local contacts, is to be one of the policies of the organization, each constituent must naturally gain something by the strength afforded in numbers. Greater management, statistical and economic skill is now available to all, when formerly the cost of these advantages would have made them prohibitive.

As of June 30, 1930, Marine Midland Corp. possessed assets consisting of $33,386,695 cash, 37,400 shares of its own stock, which was purchased for resale to officers and employees, and finally its portfolio of constituent companies stock. Allowing for the latter at their own book asset value and eliminating the treasury stock, the book value per share of Marine Midland Corp. common stock amounted to $20.87.

The outstanding capitalization of the company consists of 5,545,996 shares of $10 par value common stock, of which 37,400 shares are held in the treasury. There is no funded debt or preferred stock. Net earnings, on a consolidated basis, for the six months ended June 30, 1930, amounted to $4,774,193, which is equal to slightly under 90 cents per share. Earnings of the constituent companies have shown a steady gain over the last four years.

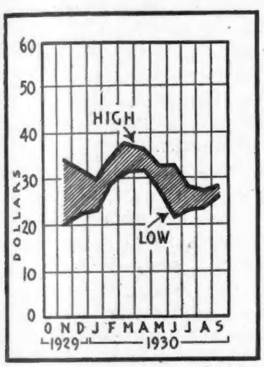
The stock of Marine Midland Corp. which has recently been listed on the New York Stock Exchange, pays $1.20 annually in dividends and is currently selling around $30 per share, thereby affording a yield of 4%. In this particular case, both yield and the difference between market

price and book value make a very favorable comparison with many of the better individual bank stocks and Marine Midland Corp. holds the added advantage of being a listed security, which is therefore readily marketable and, should the need arise, makes "good collateral."

Adams Express Co.

Recent Price	Dividend	Yield
24	$1.60	6.7%

METAMORPHOSIS of an organization in the business world is an occurrence sufficiently rare to merit distinction. A splendid example is the transformation which has taken place within the last fifteen years in Adams Express Co., whose name carries the only vestige of its former status, but which now is engaged in an entirely different enterprise.



The larvae stage of the company in which it developed from small beginnings or egg-form to full size prior to the advent of metamorphosis extended from 1854 when the company was organized as a joint stock association to June 30, 1918, during which interval it was engaged in a general express and exchange business.

Preparatory to entering the chrysalis or quiescent stage, the company sold the physical property used in the operation of its domestic express business to American Railway Express Co., and its money order and foreign exchange business to American Express Co. This was brought about by the government during the war to cause all the express business of the four leading companies to be consolidated into a new company called the American Railway Express Co. In lieu of the exchange, Adams Express received approximately one-third of the shares of American Railway Express Co., and American Express received about one-third. The latter shares in turn were purchased by Adams Express on April 2, 1929, so that together with such

(*Please turn to page* 892)

Preferred Stock Guide

NOTE: The following preferred stocks are listed solely in accordance with the current yield on each. The sequence of Guide, therefore, does not indicate a preference for one issue over any of the others. Readers should observe a proper diversification of commitments in making their selections from this list.

Railroads

	Div. Rate $ per Share	Earned $ per Share 1927	1928	1929	Redeemable	Recent Price	Yield %
Norfolk & Western	4 (N)	133.40	133.73	182.20	No	88	4.5
Atchison, Top. & S. Fe	5 (N)	40.47	40.21	49.18	No	108	4.6
Union Pacific	4 (N)	39.85	46.32	49.48	No	86	4.7
Baltimore & Ohio	4 (N)	38.44	49.44	48.87	No	82	4.9
Pere Marquette Prior	5 (C)	64.08	75.60	55.50	100	98	5.1
Colorado & Southern 1st	4 (N)	57.76	49.45	41.72	No	78	5.1
Southern Railway	5 (N)	36.17	32.11	30.21	100	91	5.5
N. Y., Chicago & St. Louis	6 (C)	20.31	17.68	20.49	110	105	5.7
N. Y., New Haven & Hart	7 (C)	22.05	34.40	45.47	115	120	5.8
Colorado & Southern 2nd	4 (N)	53.76	45.46	37.72	No	69	5.8
Kansas City Southern	4 (N)	9.04	14.01	16.02	No	67	6.0
**St. Louis, San Francisco	6 (N)	15.28	17.44	20.76	115	95	6.3
Missouri, Kans. & Tex	7 (C)	13.08	16.34	14.31	110	97	7.2

Public Utilities

	Div. Rate $ per Share	Earned $ per Share 1927	1928	1929	Redeemable	Recent Price	Yield %
Amer. Lt. & Traction	1½ (C)	12.72	**17.20	**21.38	No	30	5.0
Public Service of New Jersey	8 (C)	§16.28	20.92	19.04	No	155	5.2
Pacific Gas & Elec. 1st	1½ (C)	3.49	4.24	4.57	No	28	5.4
Engineers Publ. Serv. (w. w.)	5½ (C)	....	8.79	17.65	110	102	5.4
Philadelphia Co.	3 (C)	28.06	21.75	27.58	No	56	5.4
North American Co	3 (C)	31.74	40.28	47.48	55	55	5.5
Columbia Gas & Electric "A"	6 (C)	25.42	30.78	33.95	110	109	5.5
United Light & Power Conv.	6 (C)	....	....	15.42	105	108	5.5
American Water Works & El.	6 (C)	24.30	31.05	39.11	110	106	5.7
United Corp.	3 (C)	....	....	4.66	55	52	5.8
Standard Gas & Electric	4 (C)	16.76	14.07	20.39	No	67	6.0
Hudson & Man. R. R. Conv.	5 (N)	40.70	37.02	42.89	No	82	6.1
Federal Light & Traction	6 (C)	39.67	49.93	51.72	100	94	6.4
Electric Power & Light	7 (C)	16.21	17.00	19.03	110	109	6.4
Amer. & Foreign Pow. 2nd	7 (C)	3.58	5.33	8.82	105	98	7.1

Industrials

	Div. Rate $ per Share	Earned $ per Share 1927	1928	1929	Redeemable	Recent Price	Yield %
Hershey Conv.	†5 (C)	....	16.25	21.36	No	99	5.1
Mathieson Alkali Works	7 (C)	74.06	84.50	93.91	No	132	5.3
Bethlehem Steel Corp	7 (C)	16.32	19.16	42.24	No	129	5.4
Case (J. L.) Thresh. Mach	7 (C)	38.43	32.59	35.06	No	123	5.7
Deere & Co	1.40 (C)	5.15	5.90	9.64	No	24	5.8
Stand. Brands, Inc., Cum. A.	7	125.34	123.40	129.41	120	121	5.8
Brown Shoe	7 (C)	44.12	35.27	44.11	120	118	5.9
Bush Terminal Buildings	7 (C)	‡	‡	‡	120	116	6.0
Bucyrus-Erie	7 (C)	....	39.34	48.31	120	116	6.0
General Cigar	7 (C)	67.32	62.81	85.92	No	115	6.1
Crucible Steel	7 (C)	22.47	22.54	32.65	No	114	6.1
Bush Terminal Debentures	7 (C)	18.88	20.55	22.34	115	109	6.4
Baldwin Locomotive	7 (C)	12.21	1.66	11.50	125	110	6.4
Commerc. Investm. Trust 1st.	6½ (C)	24.36	45.50	81.92	110	101	6.4
Associated Dry Goods 1st	6 (C)	24.10	24.55	*23.91	No	92	6.5
American Sugar	7 (C)	7.97	14.60	15.40	No	105	6.7
International Silver	7 (C)	30.82	27.48	23.62	No	103	6.8
Tidewater Asso. Oil conv.	6 (C)	7.35	19.49	19.10	105	82	7.3
Radio Corp. of Amer. "B"	5 (C)	....	....	19.44	100	68	7.4
Goodyear Tire & Rubber	7 (C)	18.80	18.90	26.69	110	93	7.5
U. S. Smelting, Ref. Mining.	3.5 (C)	6.23	8.43	9.91	No	46	7.6

C—Cumulative. N—Non-cumulative. § Earned on all pfd. stocks. ‡ Guaranteed unconditionally by Bush Terminal Co. ** Adjusted to basis of present stock. † Regular rate, $4.

BEECH-NUT PACKING

Fair Yield—Depression Proof—Bright Future

Diversified Activities in Food Industry Give Stability to Earning Power

By C. Hamilton Owen

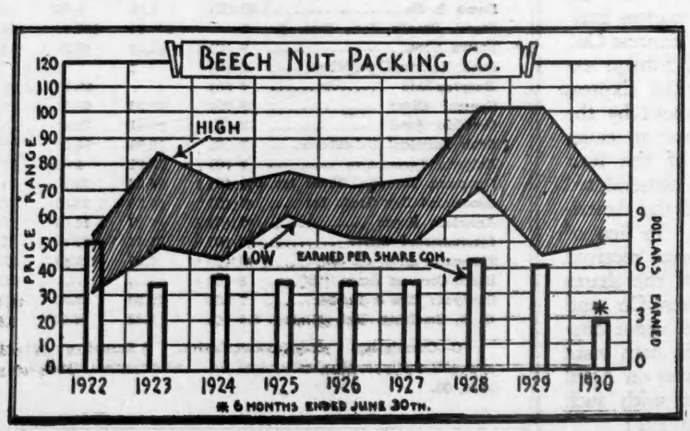
THE investor, confused by the vicissitudes of the current business depression, probably recalls to mind the descriptive phrase, "depression proof." But as he scans the reports of conditions and earnings, he may be inclined to wonder if the idea that certain industries, by virtue of their fundamental characteristics, would be immune from the fate of receding earnings, should not have been discarded along with much of the so-called "New Era" propaganda. The facts, however, show that the "depression proof" theory is standing the test in a rather convincing manner. Cigarette manufacturers, amusement companies, power and light companies and numerous specialty manufacturers have been successful in reporting earnings this year comparable with, and in many cases exceeding, last year. From available statistics it is at once apparent that those industries and companies supplying essential commodities or services at a price practically standardized at a popular level have achieved the greatest measure of success.

Conspicuous among the industries which have resisted the adversities of depression, is the food industry. Supplying one of the three prime essentials of human welfare: food, shelter and clothing, the industry, in its manifold ramifications, ranks as the largest in the country. Expenditures for food are estimated to require approximately 25% of our national income, running into $21,000,000,000 annually exclusive of the value of food consumed at its sources, as on farms, etc., estimated at $3,000,000,000. Comparing the industry with other leading producers, we find the retail value of textiles computed at $12,000,000,000, building in excess of $7,000,000,000 and iron and steel at about $6,000,000,000. Stores retailing foodstuffs are reported to exceed all other types of retail units combined and there are more than 40,000 food manufacturing plants in the United States.

The essential character of the food industry practically guarantees its stability, and growth is assured by the normal increase in population. In fact, during recent years, growth has been somewhat greater than that of the population, a fact which may be attributed to the higher standard of living and the increasing demand for a wider variety of foods. Advertising on a large scale has also been responsible for increased consumption.

During the past several years, a long series of mergers in the food industry attracted considerable investment and speculative interest to the securities of representative companies and subsequent enthusiasm carried several issues to price levels, unjustified even by the industry's promising prospects and the strongly entrenched position occupied by the leading companies. Investors, however, though they may have paid high prices for their commitments, now have the satisfaction, at least, of knowing that the industry is fulfilling the predictions made for it and is more than holding its own in a trying period. A recent compilation made by the National City Bank, covering twenty-eight companies manufacturing food products, revealed that aggregate earnings of this group for the first half of the current year were 6.3% ahead of the same period of 1929.

While not all companies were successful in increasing 1929 earnings, they did not fall far short of accomplishing this result, and there is every reason for believing that when complete reports for the full year are available, it will be found that the food industry gave an impressive exhibition of fundamental strength and stability. A number of attractive opportunities are to be found among the stocks of food companies at this time, many of which have been analyzed in detail in previous issues of The Magazine of Wall Street and with the selection of Beech-Nut Packing Co., for discussion on this occasion, readers will be in possession of data which should permit them to choose from a well diversified group of issues con-



stituting a cross-section of the nation's leading industry.

Twenty-Eight Years of Dividends

Beech-Nut Packing Co. was organized in 1899 and almost immediately began a long series of profitable years, of which the uninterrupted dividend record dating back to 1902 affords indisputable testimony. At the outset of its career, operations were confined to the packing and distribution of ham and bacon and the company developed its sales appeal by emphasizing the sanitary conditions under which its products were prepared and offered for sale. In a comparatively short time, a substantial sales volume had been built up and the familiar Beech-Nut trade mark began to acquire real value.

Encouraged by the success of its initial attempts, the company began to gradually add new products, maintaining a high standard of quality, with the result that sales by 1920 had reached an annual volume of about $9,000,000 and the Beech-Nut line had expanded to include chewing gum, peanut butter, preserves, jellies, marmalades, beans, sauces, confections, ginger ale and other products. Subsequently with the rapid growth of its candy business, its ginger ale formulas, etc., were disposed of in order to provide the company with much needed plant space.

Continuing to capitalize the excellent good-will which had been built by the quality of its products, the company, during the next ten years, added prepared spaghetti, macaroni products, fruit and candy drops, chocolate bars, coffee and biscuit dainties to its output. Practically all of these products are sold in packages, tins, or glass jars and at prices which are more or less standardized throughout the year. Moreover, these products could hardly be classed as luxury items in the average American family today and their sales are unlikely to be appreciably diminished during a period of economical spending.

Manufacturing facilities of the company comprise two plants at Canajoharie, N. Y., one at Rochester, N. Y., and one Brooklyn, N. Y., which, particularly the two at Canajoharie, are models of up-to-date efficiency. Subsidiary units includes the Beech-Nut Foil Co., dealing in composition foils; Beech-Nut Co., of California engaged in the preparation of fruit conserves and the manufacture of confections; Beech-Nut Co., of Canada, Ltd., manufacturing chewing gum and candies; and the Fairmont Box Co., manufacturing corrugated paper cartons. In 1929, the company acquired control of the Sell-Weigh Machines Co., located at Hartford, N. Y., engaged in the manufacture of vending and weighing machines. An agreement was also entered into with Rowntree & Co., Ltd., of England for the formation of a company—Beech-Nut Sweets, Ltd.—for the manufacture and sale of chewing gum and confections in British possessions. Both of these subsidiaries are more or less in the development stage and have as yet contributed nothing to the earnings of the parent company.

In November, 1927, the company negotiated a ten-year contract with the United Cigar Stores Co. of America which provided for the sale of Beech-Nut products in the several thousand United Cigar stores throughout the country. As a condition of the contract United Cigar Stores purchased 50,000 shares of Beech-Nut Packing common stock at not less than $50 a share. Last September, however, 46,000 shares of this purchase were sold to the Gold Dust Corp. at an average price reported to have been in the neighborhood of $85 a share. The remaining 4,000 shares held by United Cigar Stores were reported to have been sold in the open market. The acquisition by Gold Dust of a substantial interest in Beech-Nut gave rise to rumors of a pending merger of the two companies which, however, were subsequently denied by officials of Beech-Nut. At one time there was also talk of a merger with California Packing but if there were any actual negotiations they appear to have been definitely dropped. Beech-Nut, with its diversified output and established position, would undoubtedly prove a valuable asset to one of the large food combines but control of the company apparently still remains with the management, who would naturally be reluctant to make any concessions in a possible merger, in the face of the company's good record as an independent organization.

Inspecting Bottles in Beech-Nut Catsup Department

Financial Position Strong

The company is modestly capitalized and with the exception of a negligible amount of class A preferred stock, the entire equity in earnings is vested with common shareholders. Giving effect to the 5% stock dividend paid last December, there are now 446,250 shares of common stock outstanding, on which dividends at the rate of $3 a share annually are being paid. Prior to the first quarter of 1929, payments at the rate of $2.40 had been made in each year from 1923 to 1928 inclusive and in the latter year, stockholders received an extra of 60 cents.

Financially, the company is in an unquestionably strong position. The balance sheet as of June 30, 1930, reveals current assets of $12,211,904 as against current liabilities of only $670,991, leaving working capital of $11,540,913. This is a slight improvement over $11,298,004 in working capital at the close of 1929. The company has no bank loans and cash alone amounted to $1,138,983. Inventories were somewhat larger than at the end of last year but the increase is comparatively insignificant. Total earned surplus amounts to $7,158,683, comparing with $6,526,398 at the end of 1929 and $1,412,200 in 1923.

Sales have gained steadily since 1921, and although the relative increase has been somewhat smaller in late years, the volume last year was the largest in the history of the company. Gross sales amounted to $25,098,306, comparing with $24,721,569 and $23,521,578 in 1928 and 1927 respectively. Net profit on sales last year was $3,271,942, moderately under 1928, but sufficient to show a margin of profit of nearly 13%, a comparatively high ratio.

After depreciation, taxes, etc., net earnings last year totaled $2,693,749 and were equal to $6.03 per share on

(Please turn to page 890)

EDITORIAL PAGE

Building Your Future Income

An Informative Department On Estate Building

"The Best Investment I Ever Made"

(Announcing the 1930 BYFI Prize Contest)

AT this season of the year, readers of the Building Your Future Income Department look forward to the announcement of the Annual Prize Contest. The contest has always attracted a wide participation among readers. This year, a topic has been selected, which is as wide in scope as all human investment experience, and the Editors confidently anticipate the most successful contest in our history.

This is the topic which has been selected for the 1930 Contest:

"THE BEST INVESTMENT I HAVE EVER MADE."

Contestants are invited to submit articles of any size which adequately describe "the best investment that they have ever made." The usual cash prizes of $100 for the first selection, $50 for the second and $25 for the third will be paid. In addition, articles which are not selected for prize winners but which are considered suitable for publication in subsequent issues will be paid for at the usual rates for articles in this department. The rules which govern the award of prizes appear at the end of this announcement.

"The best investment I have ever made." Let us hasten to point out that the word "investment" is not limited for the purposes of this contest, to stocks or bonds. Investment may be considered by contestants as any arrangement or transaction for profitably employing capital. More specifically it may be the purchase of a home, mortgage, thrift certificate, life insurance policy, building and loan issue, bond, preferred or common stock, or the "best investment" may be properly considered collectively to mean a plan that employs any number of these mediums. Perhaps your best investment was less tangible in nature than the purchase of some capital asset. Perhaps it was an investment in experience, education, advancement, home or personal comforts. Draw upon your own experience or the experiences of others as freely as you like. If your story has practical value as the "best investment" you have ever made, write it, and send it in—the judges will not quibble with you concerning its eligibility in the contest.

It has always been our policy to announce the basis upon which articles will be judged in the selection of the prize winners in order that all contestants may compete on a fair and equal basis. The first count is practicability; the judges will consider first, the article which in their opinion has the greatest practical value to readers of this publication. The second count is for "human interest" in the manner of telling your story; if the story

about your "best investment" is interesting, tell about it in an interesting manner. Literary merit alone, however, will not win a prize. Special qualifications or claims to expert knowledge or authority upon investment matters do not count in this contest. The prize winner will be selected upon his ability to make a case for his "best investment" whether he be an inexperienced investor, a recognized investment expert or a professional banker or broker.

And while this announcement takes the place of our fortnightly editorial, it is appropriate to editorialize a bit on the subject of the "best investment." Obviously there is no standardized form of "best investment." In the first place, the only practical yardstick to measure a good investment is whether or not it meets the personal needs of the particular investor in question. U. S. Government bonds are conceded the highest investment ratings in this country, yet they would not be the "best investment" for the individual who requires more income, less security of principal and no tax exemption feature. The "best investment" for the widow is not the "best investment" for the business man.

The "best investment," therefore, depends upon the personal requirements and circumstances of the individual who is making the investments. That is why all stories about the "best investment" must essentially be based upon some individual experience or a prescribed set of investment needs to be filled. It would seem to us that such a broad topic as "best investment" necessarily involves such considerations as the needs of the individuals; his circumstances, his purposes in making an investment and the motives that led to the final selection of a medium that would fill the prescription.

Prize Contest Rules

First Prize, $100.00; Second Prize, $50.00; and Third Prize, $25.00.

The contest is open to all, whether or not you are a subscriber. Employees of this publication or members of their families are ineligible.

All manuscripts must be submitted in typewritten form, marked for the attention of Prize Contest Editor, The Magazine of Wall Street, 42 Broadway, New York City.

The manuscripts must be received at the above address, not later than noon, Monday, November 24, 1930.

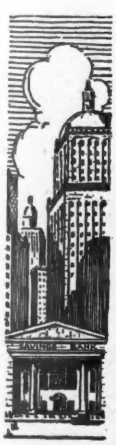
Prizes will be awarded when the winners are announced in the December 13 Issue.

Articles which do not win a prize, but which are considered suitable for publication, will be paid for at regular rates, if and when they are published.

The articles will be judged by the Prize Contest Editor on the basis of practical value, originality of ideas and general interest.

No space limitations are imposed but brevity is a desirable quality.

BYFI RECOMMENDS—



For Saving

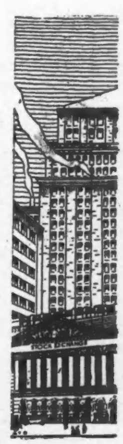
1. **SAVINGS BANK.** A convenient depository for the accumulation of regular or intermittent savings at compound interest. Funds are always available for employment in other mediums.

2. **BUILDING & LOAN AND GUARANTEED MORTGAGES** are conservative investments secured by real estate mortgages. Building & Loan shares essentially a mortgage investment, are purchasable in monthly installments. Guaranteed mortgages are obtainable in large or small denominations. Both mediums must be selected on their individual merits and the reputation of the association or company.

3. **ENDOWMENT INSURANCE** is a means of securing insurance protection and at the same time accumulating savings. Also possesses merit of regularity in savings but in view of small return should occupy a minor role in the accumulating program.

For Investment

	Security	Recent Price	Yield %
1.	Illinois Central 40-Year 4¾, 1966	102	4.6
2.	Public Service Elec. & Gas 1st & Ref. 5s, 1965	105	4.7
3.	Standard Oil of N. Y. deb. 4½s, 1951	100	4.5
4.	Western Pacific 1st 5s, 1946	99	5.1
5.	Youngstown Sheet & Tube 1st SF. "A" 5s, 1978	104	4.8
6.	New York Steam 1st "A" 6s, 1947	108	5.3
7.	Chesapeake Corp. Conv. Coll. 5s, 1947	101	4.9
8.	Associated Dry Goods 1st 6% Pfd.	93	6.5
9.	Hudson & Manhattan Conv. 5% Pfd.	79	6.3
10.	Southern Pacific Common $6	114	5.3



The BYFI Recommendation Table is intended primarily to serve as a constant guide to inexperienced investors through the early stages of their income building program. On the left the advantages of each of three principal mediums for accumulating regular savings are outlined. On the right, a progressive tabulation of investment securities suitable for the employment of some accumulated through savings is presented. These issues, if purchased in the order listed, are intended for a permanent investment and as such, will ultimately provide a sound backing of income producing securities, affording safety of principal, fair return, and offering the protection of diversity.

Using Building and Loan Shares to Build a $150,000 Estate

A Practical Plan That Puts Savings at Work Continuously Earning a Larger Income

By I. D. Rowe

AT the age of 45, after 20 years of hard, conscientious, systematic and successful saving and planning, our fund of accumulated savings was $60,000. We are making our fund work for us now and expect to continue for 20 years, as we worked for the fund for 20 years. We plan to make this fund of $60,000 equal to $150,000 without adding one more dollar to the principal.

We are not trying to tell you how we accumulated the fund of $60,000, but we had a plan whereby we worked it out, and it did work, so we decided that we might ease up and make the fund work instead.

We have taken the $60,000 and divided it into three funds, of $20,000 each. We have invested this $20,000 in all three funds in Mortgage Certificates or Mortgage Bonds issued by banks. After some experience of losses in other forms of securities and buying our wit at a price which we have not forgotten, we came to the conclusion that this form of investment was the safest, consistent with fair yield, that we could find. These bonds are a first mortgage assumed by the banking firm and they average a yield of from 5.3% to 5.6%. We figure on 5% and 5½% in our plan. (As an alternative the permanent investment certificates of Building and Loan associations may be used. If the strongest associations are selected, one has a high grade investment, comparable to mortgage certificates.—Editor's Note.)

The recent slump has given anyone a chance to note what becomes of prices, value, quotations, future enhancement; when one is pushed for money or loses confidence and mob psychology predominates. Securities in whatever shape or form were thrown on the market at any price with but one thought in mind, get rid of them at whatever price you can get for them. What was the ultimate result—losses, wrecks, suicides by the score, broken homes and rudely upset investment programs.

Learning From Experience

We have seen a few of these experiences before and taking cognizance of these past experiences, and as there is no assurance that the same thing won't happen again in the future we figured that, hereafter, we might travel somewhat slower with Bank Mortgage Bonds at 5% or 5% plus but we would be a great deal safer and surer and have less need for bromo seltzer. So we set a limit of not over $5,000 in any one bank, thereby reducing our chances of losing any of our principal to a negligable factor.

We divide our $60,000 into three funds as follows:

Plan No. 1 in Insurance; Plan No. 2 in Building & Loan; and Plan No. 3 in Compound Interest. The income from each one of these three separate funds amounts to 5½% of $20,000 or $1,100 annually. This gives us $3,300 per year income, which is utilized in the three different investment mediums in the manner described in the following paragraphs.

Our insurance plan is as follows: At age 45, we purchased $20,000 of 20-payment life insurance in an old standard mutual life insurance company. This costs about $800 per year. This gives protection for $20,000 and includes Waiver of Premium, Disability Annuity, and Double Indemnity in case of accidental death, and has a cash surrender value at the end of 20 years of $725 per $1,000 of insurance.

We selected the 20-payment life as we figured that it was the ideal form of insurance protection. After 20 years no further payments are required. If during the 20 years you become disabled by accident or illness, a payment of $10 per month per thousand is available for life, without any further payment of premiums and without reducing the principal sum in case the policy becomes a claim. Besides, if at the end of 20 years we do not need the protection any longer there is $725 per thousand available upon surrendering the policy. If the policy becomes a claim there is $20,000 available for natural death and $40,000 for accidental death.

Additional Accident Insurance

This leaves still about $300 available for insurance. We invest this in a strictly first class Stock Company Health and Accident Policy. At a premium of $300 per year we can obtain protection for $100 per week for health and accident and double for some accidents. This accident policy carries a small capital sum of $2,500 but we are not after capital sum as we have that protection afforded us under the life insurance policy. The policy pays several additional benefits for hospital fees, nurses, operations, etc., and with the multitude of accidents happening these days we felt this was the most vital link in our chain. At age 65 we expect to let it lapse as we will have no further need for same. We felt the husband should carry the above protection, both in life insurance and in the accident policies.

The plan described here for the systematic management of a savings fund, which has been accumulated over a period of years, is based on the experiences of a couple whose writings are familiar to BYFI readers. This time, the wife tells her story. Although projected over a twenty-years' period, the plan is sure-fire in its results as nothing has been left to chance. And based on the record for successful handling of savings in the past, we are confident that the goal will ultimately be attained. There are many practical pointers for readers in this article.

Plan No. 2 employs Building & Loan shares. Income from plan No. 2 is $1,100 per year and we take $100 from our third fund for convenience sake. This gives us $1,200 per year which we invest in Building & Loan shares. We are not going to enter into any discussion on Building & Loan, neither are we giving you any discussion on life Insurance. THE MAGAZINE OF WALL STREET conducts a department for Life Insurance, also a Building & Loan Department, and many articles on both subjects are being published by this magazine and they have been a help, a guide and an inspiration to us. We felt they formed the best plans of saving that we know of, and we arranged our investment program accordingly.

Building & Loan shares are issued on a monthly payment plan with a matured value of $200 per share. There are two kinds of shares, single and double. Single shares cost $1 per share per month and require about 11½ years to mature; double shares cost $2 per month per share and require about 6⅔ years to mature. We selected the double shares. An income of $1,200 per year will buy 50 double shares maturing at $200 each or $10,000, i. e.:

1st year	$1,200	5th year	$1,200
2nd year	1,200	6th year	1,200
3rd year	1,200	7th year	1,200
4th year	1,200		

These now mature for $10,000.

8th year	$1,200	11th year	$1,200
9th year	1,200	12th year	1,200
10th year	1,200	13th year	1,200

This series now matures for $10,000.

14th year	$1,200	18th year	1,200
15th year	1,200	19th year	1,200
16th year	1,200	20th year	1,200
17th year	1,200		

This series also matures for $10,000.

It will be noted that our first series matures at about 7 years and we have this $10,000 on hand for 13 years. We invest this in the Mortgage Certificates and Bonds as before explained and at the end of the 20-year period this amounts to $19,000.

Proceeds Always Reinvested

The second series matures for $10,000 at the end of about 13 years or a little better. We invest this $10,000 for 7 years in the same manner as before stated and at the end of the 20-year period this series is worth $13,500.

Our third series likewise matures at a value of $10,000, making the final results from Building & Loan as follows: 1st series matured and accumulated value for 13 years, $19,000; 2nd series matured and accumulated value for 7 years, $13,500; 3rd series matured at the end of the twenty year period at $10,000, making an aggregate enhancement in principal of $42,500.

Summarizing the Results

Plan No. 3 involves the investment of the remaining $1,000 income at compounded interest rates. We had $1,100 per year income available in this third fund, but we transferred $100 per year to the Building & Loan Fund, so that leaves us an even $1,000 per year to invest in these same kind of Mortgage Bonds. This $1,000 at compound interest of 5% with $1,000 added each year for 20 years should produce about $35,000.

Our summary is:

(1)	We have our original	$20,000
	If we live and cash in on our life insurance	15,000
(2)	We have our original	20,000
	Our Building & Loan matured and increased	42,500
(3)	We have our original	20,000
	Increase	35,000
		$152,500

So you see what our money is doing for us. We are doing our regular duties, going about life just as if we did not have this $60,000 fund working for us, but we are not adding a dollar to the original fund. We are taking life a little easier and are not struggling as we did when we were accumulating the $60,000. Get yourself a plan, work it out, then stick to it, and make it help you work for you. It can be done and is interesting and worth while. Things did not always run so smooth with us, but by perseverance and confidence we managed to get the $60,000 across, and now our present plan is working out in good shape. Many are the sacrifices we made, but there are no gains without pains. Give your husband the proper support, help him put the plan across, and you can win, and you must win, and you will win.

We did.

Indeed, the very knowledge that accumulated savings can be used to obtain such gratifying results has been an inspiration in the rather painful process of getting started on the original investment fund. To have a goal before one, not merely of piling up dollars for future use but of using these dollars to reach a still greater end, makes the early years of saving and investment twice as interesting.

A Thrift Letter from Uncle Bob

An Inspiring Message to a Young Man That Outlines a Sensible Program for Savings and Investment

As Dictated to

I. N. STRONG

My Dear Nephew:

You have so recently acquired a wife, a home and the perfectly justifiable pride those priceless possessions warrant, that I was most happy to see you evince the sense of responsibility they entail. I am glad, indeed, to have you ask my opinion about making some financial plans for the future, something "definite," you write.

I note what you say about the practical annihilation of your bank account in acquiring your "lares and penates" but happily it doesn't require much money to begin building one's estate. A convenient time to save never arrives. Our needs, or more accurately our wants, keep pace with our income and within certain limitations it is about as easy to start to save money on one income as another, and certainly no time like the present.

B. & L. Shares To Start

I do not know a better way to start to save money than to buy partial payment shares in a good building and loan association. In your state they are under the supervision of the state's banking department, and are regularly inspected. They are practically as safe as a savings bank deposit but pay a higher rate of interest, compounded semi-annually, and there is not the temptation to draw out money there is in a bank deposit.

If you will scout around a little you will probably find that one of the substantial bankers in your town is a director in one of the building and loan association, and if so it will likely be a pretty good one to tie to only $5 a month paid regularly into a building and loan association paying six per cent will mature you $1,000 in ten years.

You have a salary of $150 a month out of which you should save $15 a month, exclusive of life insurance, a reasonable amount of which we will take for granted. You are twenty-three years of age, it is likely that you will have an earning time of thirty years at least; let us divide that into three periods of ten years each, the 23-33 period, the 33-43 period, and the 43-53 period.

Three Investment Periods

In the first period you will be investing $15 a month which will mature you $3,000. In those years you will not have much money to invest, nevertheless during that period I would regularly read a good financial magazine. You will find in it a great deal of disinterested information concerning investments and business generally that will make you a more valuable man to your employer, and you will become more interested in your own financial progress. The securities of some companies will appeal to you as they apply to your line of business, or for other reasons. Watch a number of these securities, see how they behave in prosperous times and in reactionary times.

At the end of this period you will have a degree of familiarity with investment procedure, then take your $3,000 to your banker and ask his advice concerning its investment. He will be able, and probably willing to guide you in the purchase of safe securities yielding six per cent. It is generally possible to get this return with a reasonable degree of safety. He will recommend bonds, preferred stocks or even common stocks of good companies.

You will now enter your 33-43 period with an income of $15 per month from your $3,000 investment, continue your savings of $15 a month, this $30 to mature you $6,000 at the end of this period. During this period it is likely your earnings will be high enough to warrant considerable more savings, but I would keep the funds of which we are speaking separate, both principal and interest. Let this be your financial anchor, and under no circumstances use it for speculation, safety and six per cent being the main considerations.

At the end of the second period your maturity of $6,000 added to the first period's $3,000, brings your estate up to the tidy sum of $9,000 if you have made no other savings.

You Are Now In the Forties

Entering your third period with $45 a month income from your $9,000 investment at six per cent, together with the by-now-habitual saving of $15 a month gives you $60 a month to invest. To get a greater element of safety I would split this between two building and loan companies to mature $6,000 each. At the end of this period when you are fifty-three you will have increased your original investment of $15 to $21,000. You have paid into this fund from your earnings only $5,400, $15,600 is your interest compounded. You have never taken more than $15 a month from your salary. Investing your $21,000 at six per cent and you have an income, independent of your earning ability, of $105 a month.

If you are fortunate and have ten more productive years, as is quite possible, and do not require this income, by adding nothing more from your salary but only investing your income from your $21,000 in partial payment building and loan shares once more, you will find it will double in that period, and at the age of sixty-three you will have an income of $210 a month on your estate of $42,000, to which you have contributed from your salary only $5,400.

The potency of compound interest over the average earning period of a man of your age is something to regard with respect. I don't think I am wrong when I say that the average young person in the United States today can build such an estate with little sacrifice. A thrifty family could save $15 a month from household and personal expenditures if they determined to do so.

Here's to your estate may it grow and prosper, and may you face the age of sixty-five without the specter of want the statisticians conjure up for —is it four men out of seven at that age.

Cordially yours,

Uncle Bob.

Creating a Trust Fund for Life Insurance

—An Interesting Query from the Day's Mail—

By Florence Provost Clarendon

Insurance Editor:

For some time I have had in mind setting aside sufficient bonds so that the income from them would cover my annual insurance premiums. I have felt this way for two reasons: first, I would not have to worry about having sufficient money on hand to take care of the premiums when due, and second, the principal in bonds would be preserved by having the supervision of a trustee who could give same better attention than I could. The principal would be taken out of my hands and serve as a sure source of income for the payment of the insurance premiums, and would be used for no other purpose.

I have discussed this matter with my local banker and he has drawn up a trustee agreement copy of which I enclose for your information. This would run for 14 years at the end of which time most of my premiums will be paid up and at which time I will be 50 years old. I carry 20-pay life and annuity policies and by handling as per this agreement they would take care of payments of all premiums, take care of the bond interest, the reinvestment of maturing bonds, also investment of surplus income, etc. It seemed to me that by having them have constant supervision of these bonds I would be better able to conserve the principal than if I handled same myself and at the same time under this plan the income from these bonds would guarantee a fund for the insurance which they would take care of for me.

Do you know if this is a practical proposition? Would you recommend same? Does the agreement as per copy enclosed appear to be in order? What do you think of it?—W. H. S.

Referring to your letter, and enclosure (draft of tentative agreement between yourself and your local bankers) the writer considers that the details of any life insurance trust such as outlined therein, *should be submitted to the companies in which your life insurance is carried* either to the general agent in your vicinity, or to the home office of the life company.

Your holdings in life insurance and other securities are not so large but that you could, if so disposed, handle them yourself, obtaining from time to time the advice on investments which is usually accorded to a depositor. Of course if you prefer to be entirely relieved of the responsibility of handling any details regarding your life insurance policies, you can establish a funded trust, and leave the matter entirely in the hands of your trustees. From my reading of the draft agreement it would appear the trustee would be given rather broad privileges and much liberty of action in the exercising of the trust fund.

Fraternal Insurance

Insurance Editor:

Your articles are always interesting and instructive and as a subscriber to the Magazine I have derived a great deal of satisfaction from them. There is one problem that I have at present and I am wondering if you will give me the status of the company. A great many years ago, about forty, my father joined the ——— Fraternal Society and has paid the dues during that time. He is now 69 and as they have changed their form of insurance, his premiums will now be $13.35 per month on $2,000 worth of insurance. As he is too old to obtain insurance with any other company and needs the protection his problem is a grave one. I shall pay the premiums for him but I should like to know whether the company is safe and would pay the face of the policy at death. I should appreciate very much any information that you can give me regarding the matter.—L. M. D.

I have your letter regarding your your father's insurance in the fraternal association. The particular society in which he carries his coverage is one of the oldest "fraternals" in the country, the bulk of its insurance having been written at inadequate rates. The trouble with insurance taken through these societies is that the cost of the protection is apt to become prohibitive if a man lives on to the older years.

At your father's age, 69, and with premiums on his policy paid by yourself, is it essential that he keep the insurance? In other words, has he a *dependent* to protect? If not, and he is in good health with the possibility of living on for some years to come, it seems perhaps the better part of wisdom to drop this insurance, under which the premium cost may at any time be still further increased.

If your father is in good health and able to pass a medical examination, it is possible for him to obtain insurance in one of the "old line" institutions, on a level premium basis—ordinary life plan for an annual cost of about $101 per $1,000. This would include cash, loan, and surrender values, and the broader benefits of insurance on a *permanent* plan. We assume that your father's policy in the fraternal association is on a *term basis*.

Insurance for Educations

Insurance Editor:

I have a son, ten years old, and a friend of mine in the insurance business has been trying to interest me in insurance for him. As I have no experience with insurance will you kindly give me advice as to the right kind of insurance to take out for about $1,000, as a start to use for his education later on.—E. L. C.

If you wish to use the proceeds of a life insurance policy towards paying for higher education in college of your boy, the best plan would be to take a 10-year endowment which would mature in his 20th year, as he is now ten years old. I would suggest that the

(*Please turn to page 902*)

Business Shows Gradual Response to Seasonal Forces

STEEL

Forward Buying in Evidence

IN support of the belief that steel prices have practically reached the extent of their decline, are the attempts of buyers to fill their requirements for the earlier months of 1931. Thus far, however, actual orders have been negligible in the face of the unwillingness of producers to quote prices ahead of January 1, a condition which would seem to presage higher than lower prices.

Iron Age reports a further gain in ingot output and estimates aggregate specifications in September as averaging about 15% higher than in August. To the increase in bookings, however, the automobile and railroad industries, two of the largest consumers of steel, have contributed very little business. The season is at hand when railroads normally place large orders for steel rails but it now appears that the cur-

(Please turn to page 879)

COMMODITIES*

(See footnote for Grades and Units of Measure)

	1930 High	1930 Low	1930 Last
Steel (1)	$34.00	$31.00	$31.00
Pig Iron (2)....	18.50	18.00	18.00
Copper (3)	0.17⅜	0.10½	0.10½
Petroleum (4)...	1.45	1.18½	1.29
Coal (5)	1.65	1.40	1.43
Cotton (6)	0.17½	0.11⅛	0.10⅞
Wheat (7)	1.46½	1.00¼	1.04⅝
Corn (8)	1.19⅛	0.92⅜	1.10¼
Hogs (9)	11.00	9.00	10.85
Steers (10)	16.50	10.75	12.25
Coffee (11)	0.10¼	0.07	0.07
Rubber (12) ...	0.16⅝	0.08⅜	0.08⅜
Wool (13)	0.34	0.28	0.31
Tobacco (14)....	0.14	0.14	0.14
Sugar (15)	0.03¾	0.03⅛	0.03⅛
Sugar (16)	0.05¼	0 04¼	0.04½
Paper (17)	0.03⅛	0.03⅛	0.03⅛
Lumber (18) ...	20.33	16.78	16.78

* Sept. 22, 1930.

(1) Billets, rerolling, $ per ton; (2) Basic Valley, $ per ton; (3) Electrolytic, c. per lb.; (4) Mid-Continent, 36°, $ per bbl.; (5) Pittsburgh, steam mine run, $ per ton; (6) Spot, New York, c. per pound; (7) No. 2 red, New York, $ per bushel; (8) No. 2 Yellow, New York, $ per bushel; (9) 220-240 bb. wts.; (10) Top, Heavies, Chicago, 100 lbs.; (11) Rio, No. 7, spot, c. per lb.; (12) First Latex Crepe, c. per lb.; (13) Ohio, Delaine, unwashed, c. per lb.; (14) Medium, Burley, Kentucky, c. per lb.; (15) Cuban 96° duty paid, c. per lb.; (16) Refined, c. per lb.; (17) Newsprint per carload roll, c. per lb.; (18) Yellow pine boards, f. o. b. $ per M.

THE TREND IN MAJOR INDUSTRIES

PETROLEUM—The American Petroleum Institute reports that refineries representing over 95% of the country's capacity operated at 69.2% of capacity during the week ended September 20, and ran an average of 2,440,900 barrels of crude to stills daily. This was about 5,400 barrels less than the previous week. Crude oil production in the same period increased slightly to 2,421,800 barrels daily. While the statistical position of the industry continues to improve, it is somewhat disquieting to observe the price cuts in gasoline recently announced by large Eastern distributors.

BUILDING—Of prime interest is the recent report of F. W. Dodge Corp., pointing out an encouraging improvement in residential construction in the New York City area. For the first sixteen days of September, residential contracts totalled $28,111,400 as compared with the total of $57,636,200 for all classes of construction. Sustained improvement in this direction would lend itself to a distinctly bullish interpretation.

AUTOMOBILE—August production of automobiles experienced the sharpest drop of any month this year. Output was 14% under July and 54% below August, 1929. It is to be recalled, however, that in the latter month the industry was overproducing. Total production for the current year to the end of August totalled 2,835,622 units, comparing with 4,444,047 for the same period of 1929. Analysis of new registrations continues to reveal a marked preference for low priced cars.

ELECTRICAL EQUIPMENT—While new bookings have been light and unfilled orders substantially reduced, reliable reports indicate moderate improvement. Demand for central-station and industrial equipment in the Eastern territory has gained recently and sales of specialties, such as electrical refrigerators, continue in good volume.

RUBBER—Tire manufacturers have recently taken steps which will result in eliminating the practice of giving discounts to operators of large fleets of trucks and it is expected that the mail order firms will co-operate in this development. Any move designed to correct the various trade evils now existing in the industry is a step in the right direction. It would not be surprising if the trying experiences of the industry this year result in a number of mergers and increased concentration.

COPPER—While large producers are endeavoring to maintain the price level at 10½ cents, several custom smelters have recently made offerings at 10¼ cents. The uncertainty of the price situation tends to restrict buying and consumers, who might be willing to contract for forward requirements, are holding back awaiting definite assurance of price stability.

SUMMARY—The force of seasonal influences which may be observed in the late trade news, and conditions in a number of important consuming industries are such as to suggest the possibility that demand will be given a timely impetus as buyers are gradually forced into the market in order to replenish substantially depleted stocks. Confidence, however, is being sorely tried by marked weakness in the commodity and stock markets, and political unrest abroad.

(Continued from page 878)

rent volume will fall considerably short of the average. The requirements of the automobile industry have been substantially reduced as a natural consequence of the apathetic public buying. Orders for fabricated steel are also at a low ebb.

Miscellaneous lines, such as radio, farm implements and steel barrels, are enjoying a degree of seasonal activity and have increased their steel commitments accordingly; the heavy demand for tin plate and pipe steel is being sustained; and *Iron Age* reports a considerable volume of belated buying coming into the market under the pressure of necessity brought about by depleted stocks.

Pig iron prices have shown further weakness and were recently at the lowest figure since 1915. Scrap prices have developed a weaker appearance in contrast with the upward trend recently in evidence but prices for finished steel continue firm.

Sentiment within the industry continues to be expressed in optimistic terms but could easily stand further support in the form of tangible evidence of improvement.

RETAIL TRADE

Increased Volume

Commenting upon the general business situation, Secretary of Commerce Lamont recently directed attention to the satisfactory outlook for retail trade at this time. In the absence of complete and accurate figures, the Secretary based his remarks on the reports of numerous representatives of leading department stores and other retail outlets, who were practically unanimous in agreeing that retail trade was displaying an upturn of more than seasonal proportions. Particular emphasis was placed by the Secretary on the fact that stocks on hand were exceptionally low, a condition which sooner or later will produce a considerable volume of business for wholesalers and manufacturers.

Under normal conditions the final three months of the year produce the largest volume of business, particularly for the mail order houses and department stores, and while the possibility of curtailed Christmas buying resulting from unemployment and economy injects a measure of uncertainty into the outlook, it would not be surprising to find the aggregate volume of business comparing favorably with 1929. Confronted with numerous problems this year, retail management has been given a strong test and the earnings of individual enterprises will provide un-

(Please turn to page 902)

The Magazine of Wall Street's Common Stock Price Index

(1925 Closing Prices—100)

Number of Issue in Group	Group	1930 Indexes (428 Issues)		Recent Indexes		1929 Indexes (379 Issues)		
		High	Low	Sept. 13	Sept. 20	Close	High	Low
428	COMBINED AVERAGE	140.7	96.1	102.3	97.3	109.0	173.1	105.6
3	Agricultural Implements	405.5	220.2	235.7	220.2-L	258.0	655.5	237.1
3	Aircraft (1927 Cl.—100)......	153.1	82.2	92.2	86.0	86.0	307.1	78.0
8	Amusement	272.0	123.4	187.7	172.0	129.6	263.0	121.5
22	Automobile Accessories	118.1	68.4	75.6	72.3	84.2	212.6	82.9
18	Automobiles	78.4	45.3	48.8	45.3	54.2	134.9	52.1
3	Baking (1926 Cl.—100).......	74.2	42.3	53.5	52.1	43.4	96.3	39.8
2	Biscuit	248.1	189.9	231.1	223.3	189.9	267.6	177.0
5	Business Machines	262.7	181.2	200.4	187.6	219.4	385.8	205.0
2	Cans	226.0	162.8	189.4	181.6	171.9	273.5	157.1
9	Chemicals and Dyes..........	248.5	161.4	193.6	180.0	220.4	363.9	204.5
2	x-Cigar Stores	21.6	9.4	18.1	16.7	9.4	69.3	8.6
4	Coal	107.9	63.5	83.0	77.1	83.8	124.0	77.0
16	Construction & Bldg. Material	121.8	78.0	86.2	81.2	82.4	145.4	76.6
4	x-Containers (1928 Cl.—100)...	70.2	42.2	55.0	50.8	46.2	111.1	46.2
13	Copper	211.7	110.2	121.0	112.8	194.5	391.5	189.6
4	Dairy Products	125.1	81.4	110.3	107.7	86.5	146.0	73.3
10	Department Stores	51.6	33.9	38.1	35.8	38.0	86.5	37.5
9	Drugs and Toilet Articles....	142.0	106.7	116.8	112.6	128.6	199.2	119.2
8	Electric Apparatus	239.1	166.5	193.9	186.4	172.9	298.5	151.3
3	Fertilizers	54.4	28.4	33.2	28.4-L	40.8	121.4	36.5
2	Finance Companies	148.4	91.8	100.8	96.5	101.4	213.9	95.3
9	x-Food Production	93.5	73.1	83.9	81.3	81.2	140.4	66.7
4	x-Food Stores	124.6	73.4	84.4	80.1	116.2	244.1	113.7
4	Furniture and Floor Covering.	119.2	56.6	62.1	57.3	109.2	209.3	102.3
2	x-Gold	308.6	229.8	267.0	265.1	264.6	340.8	221.0
6	Household Appliances	92.5	47.8	51.0	47.8-L	57.3	110.8	56.6
4	Investment Trusts	184.9	113.9	126.3	116.5	125.7	406.2	113.3
2	x-Lead	67.3	31.1	31.9	31.1-L	34.8	101.5	33.5
3	Mail Order	170.0	99.3	110.6	102.0	132.6	418.6	127.5
4	Marine	88.3	48.9	50.9	49.5	62.2	93.7	60.1
3	Meat Packing	58.4	41.4	43.8	43.5	54.2	104.4	51.2
8	x-Mining and Smelting........	174.0	105.5	113.7	108.4	132.1	273.0	127.0
2	x-Paper and Power............	161.2	72.0	81.7	72.0-L	129.0	221.2	126.3
45	Petroleum and Natural Gas..	142.5	97.6	101.6	97.6-L	106.7	171.7	104.5
6	Phno'phs & Radio (1927—100)	175.2	89.7	102.2	89.7-L	129.6	321.1	116.3
23	Public Utilities	305.0	215.2	237.8	228.2	224.9	388.4	194.2
11	Railroad Equipment	115.4	76.3	83.1	79.4	99.2	136.1	95.0
40	Railroads	144.5	106.0	109.7	106.9	129.0	169.5	120.8
3	Restaurants	153.1	117.8	127.7	121.3	127.2	180.5	117.9
2	Shoe and Leather	116.5	78.7	85.0	80.0	79.4	178.3	76.3
2	Soft Drinks (1926 Cl.—100)..	246.5	195.5	233.8	229.9	198.4	244.0	183.5
15	Steel and Iron...............	146.5	97.7	102.7	97.7-L	117.3	173.4	112.8
6	Sugar	45.1	18.7	20.0	18.7-L	39.7	81.6	39.2
2	Sulphur	268.7	204.2	239.8	237.0	214.0	295.2	191.4
2	x-Syrups	282.7	183.8	231.8	225.4	188.0	295.1	175.7
3	Telephone and Telegraph.....	177.2	127.5	135.1	129.0	167.8	252.3	150.1
6	Textiles	70.5	42.3	45.9	46.3	49.9	128.5	48.1
2	x-Tin (1928 Cl.—100)..........	88.4	72.3	79.5	75.6	80.2	115.6	74.8
8	Tire and Rubber.............	39.0	18.8	19.4	18.8-L	25.6	111.4	25.6
13	Tobacco	107.3	78.8	89.8	83.7	83.4	134.6	79.6
5	Traction	103.5	65.0	83.9	80.4	65.2	140.4	58.9
27	x-Unclassified (1929 Cl.—100)..	134.1	90.4	98.3	92.5	100.0	(Begun	1930)
2	Variety Stores	88.7	66.3	81.4	79.3	88.7	138.8	83.9
4	x-Zinc	115.5	60.9	63.5	63.1	82.3	247.8	77.2

L—New LOW record since 1928.

x—Hitherto unpublished groups, which will appear in each issue henceforth.

(An unweighted Index of weekly closing prices, especially designed for investors. The 1930 index includes 428 issues, distributed among 53 leading industries, and covers about 90% of the total transactions in all Common Stocks listed on the New York Stock Exchange. It is compensated for stock dividends, split-ups, rights, and assessments, and reflects all important price movements with a high degree of accuracy. Our method of making annual revisions in the list of stocks included renders it possible to keep the Index abreast with evolutionary changes in the market, without impairing its continuity or introducing cumulative errors.)

·SERVICE·SECTION·

ANSWERS TO INQUIRIES

SUBSCRIBERS—ATTENTION

The Personal Service Department enables you to adapt THE MAGAZINE OF WALL STREET to your personal problems. If you are a yearly subscriber, you are entitled to receive FREE OF CHARGE a reasonable number of PERSONAL REPLIES BY MAIL OR WIRE on any security in which you may be interested. The inquiries presented in each issue are only a few of the thousands currently received and replied to. The use of this personal inquiry service in conjunction with your subscription to the Magazine should help you to get hundreds or thousands of dollars of value from your $7.50 subscription.

Inquiries cannot be received or answered by telephone nor can personal interviews be granted. Inquiries from non-subscribers of course will not be answered.

SKELLY OIL CO.

Today Skelly Oil common has just made a new low. I am wondering whether its recent weak market action is discounting the reduction or passing of the $2 annual dividend. Do you think the downward movement of my Skelly stock may be arrested as soon as the completion of arrangements with Ethyl Corporation are announced? I would appreciate your analysis of this situation.—O. T. T., Cohoes, N. Y.

The Skelly Oil Co., one of the leading producers in the Mid-Continent field, is now engaged in all branches of the petroleum industry. The natural gas division has taken on increasing importance and Skelly is one of the companies interested in the laying of a new natural gas pipe line from the Panhandle district of Texas to Chicago. The net income for the year ended December 31, 1929, was equivalent to $5.28 per common share as compared with $3.77 in 1928. Although gross earnings for the first six months of the current year increased, heavier expenses and unstable oil and gasoline prices caused a sharp decline in the net income. Per share results for the period were $1.09 as against $2.93 in the similar months of 1929. The increase in gross, however, indicated the rapid growth of the company's properties. The company is in a strong financial position and the marketing of its new Ethyl gasoline should augment gasoline sales. However, the unfavorable price situation likely will prevent any material improvement in earnings for the balance of the year. The two year expansion program recently inaugurated by Skelly Oil is a favorable factor for the future, and while the shares are speculative and we can offer no assurance that present dividends will be maintained, longer range prospects are reasonably promising.

Are You Sure of Your Broker?

We invite correspondence from readers desirous of ascertaining the status of brokers with whom they intend to do business. We make no charge for this service, as we recognize the importance of having our readers deal through reliable firms.

Subscribers wishing to avail themselves of the privileges of the Personal Service Department should be guided by the following:

1. ***Be brief.***
2. ***Confine requests for an opinion to THREE SECURITIES ONLY.***
3. ***Special rates upon request to those requiring additional service.***
4. ***Write name and address plainly.***

INGERSOLL-RAND CO.

Selling at almost 20 times its 1929 earnings Ingersoll-Rand common looks rather high to me. Shall I accept a profit of over $1,000 which I have on 50 shares bought in June? Is a split-up in the offing? If such a development is likely, I would be willing to continue to hold on.—A. M. F., Rockford, Ill.

Earnings of the Ingersoll-Rand Co. were at a record level last year, per share results of $10.54 showing a gain of 33% over the $7.87 reported in 1928, but depressed trade conditions probably will prevent an equal showing this year. Plants were operated below capacity in the first part of the current year, and it is unlikely that any sizable improvement has taken place in the past few months. The earnings record of the company over a period of years demonstrates its ability to operate successfully through periods of depression as well as in periods when general business conditions are satisfactory. Diversification of products has been the important factor in allowing for successful operation even through such a period as now exists. Products of Ingersoll-Rand include air and gas compressors, oil and gas engines, drills, condensers, pneumatic tools and a Diesel engine which is used in a combination oil-electric locomotive. The demand for this type of locomotive seems to be assured since it will reduce operating costs, an advantage continually sought by railroads. The company has been liberal in its dividend policy, paying sizable extras in cash or stock as conditions warrant. While there is no definite information available regarding a possible split-up of the common shares, we counsel further retention of your equity in the company.

CONTINENTAL CAN CO., INC.

Continental Can common has been recommended to me for semi-investment by a conservative house as an issue that should be one of the leaders in any general upswing in the market. Do you feel such

When Quick Service Is Required Send Us a Prepaid Telegram and Instruct Us to Reply Collect

a commitment is advisable now?—P. E. H., Chattanooga, Tenn.

The wider use of tin containers has given a considerable degree of stability to the earnings of the Continental Can Co., and judging from results of the various divisions of the company thus far in the current year, earnings for the full year are expected to compare favorably with the net for 1929. The net income last year was equivalent to $5.46 per share, which compares with $4.89 in the previous year. Although interim reports are not available, sales of the company for the first seven months were more than 6% ahead of those for the similar period of 1929. While the drought probably has cut down business somewhat, diversification of products now marketed in tin containers and wide geographical distribution of plants, will tend to overcome the loss. Plants are now reported to be operating overtime to supply the container requirements of canners of the late crops. The company was in a strong financial position at the close of 1929, with quick assets, including $16,025,668 in cash, equivalent to more than eleven times the current liabilities. Working capital at the beginning of the current year was $34,404,005, the largest in the history of Continental Can. The annual dividend requirements of $2.50 a share were earned more than twice over in 1929, and commitments made at this time should prove profitable, provided it is your intention to hold for the longer term, disregarding day to day price fluctuations.

AMERICAN CYANAMID CO.

I hold 100 shares of American Cyanamid B at 35. The action of the directors in passing the last dividend proved quite a shock to me for I was under the impression that the company was making good progress in its expansion program. What are your views and counsel in this matter? Shall I continue to retain my stock?—M. E. S., Fresno, Calif.

While the recent omission of the quarterly dividend on American Cyanamid Class A and B common stocks was a surprise to stockholders, the position of the company has been improved by this action. The company reported for the fiscal year ended June 30, 1930, a net profit of $4,618,099 or the equivalent of $1.86 a share on 2,470,119 shares of common stock. This was a sizeable increase over the $2,328,988 or $1.72 a share reported in the previous fiscal year on 1,325,462 shares, which led to the belief that the annual dividend of $1.60 a share would be maintained. However, quarterly dividend payments would have amounted to approximately $1,000,000 which would have impeded the progress of the company. An extensive expansion program has been carried on in recent years, and several new units have been added this year. Products are widely diversified, but the general business depression has cut sales of several of the important revenue producers. The financial condition of the company at the close of the past fiscal year was satisfactory with current assets more than four times the current debt. Payment of the dividend, however, would have reduced the working capital, an important consideration under present conditions. We look upon the stock as an issue beset by uncertainties which will be removed when business shows definite indications of improvement. Retention as an interesting speculation for the longer term, however, should ultimately produce satisfactory results.

CHESAPEAKE & OHIO RAILWAY CO.

Do you consider Chesapeake & Ohio common an outstanding purchase around 50? With a yield of 5% and the prospect of earning $5 a share this year, this stock appeals to me for conservative spec-vestment. I plan to buy 50 shares early in October in anticipation of seasonal activity in the production of soft coal which should naturally direct attention to this rail. What is your opinion?—L. I. M., Elizabeth, N. J.

Chesapeake & Ohio Railway is one of the principal soft coal roads of the country; approximately 60% of company's gross revenues being derived from shipments of this commodity. This factor has been largely responsible for the comparatively favorable showing made by the company for the first seven months of the current year. Traffic volume of bituminous coal has been well maintained during this year and offsets to a large degree sharp declines in merchandise traffic. Moreover, statistical position of the soft coal industry indicates that some improvement in volume of shipments during the balance of the year is not improbable. Gross revenues of this road for the first seven months amounted to $79,185,565, or some 6% below those reported for the corresponding 1929 period. While this figure alone is no revelation, when consideration is given to the fact that gross revenues of all Class 1 railroads for the same period registered a drop of approximately 13%, results of Chesapeake must be regarded as highly satisfactory under the circumstances. It should be noted at this point that the drop in coal revenues amounted to only 3%, while merchandise revenues were lower by more than 10%. Furthermore, the company was able to effect substantial economies in operations, with the result that net income, when compared with other roads of same class, makes an even more favorable showing. Net operating income for the seven months ended July 31, 1930, amounted to $21,445,359 or 7.3% below that of the like seven months of preceding year, compared with a drop of 33% for all Class 1 roads. The above figures include earnings of Hocking Valley Railway Co. which was acquired through exchange of stock May 1, of this year. Although full year results are likely to be lower than last year, the management expects the decline to be well under 7%. With anticipated earnings approximating $5 a share on 7,649,020 common shares, the stock at present levels is selling for 9½ times earnings. Moreover, in view of the favorable long term outlook and strong financial condition of the company, an increase in dividend rate in the not too distant future is more than a reasonable expectancy. The issue merits investment consideration at this time, and we would be willing to recommend commitments.

STERLING SECURITIES CORP.

What is the nearby outlook for Sterling Securities A and convertible preferred? I have substantial commitments in both classes of stock with rather heavy losses. Sterling, in my judgment does not respond as quickly as it should to advances in the general market. Is there any fundamental reason for its rise being retarded?—W. L. M., Cambridge, Mass.

Sharp declines in market value of securities held, coupled with the fact that investment trust stocks are less popular with the public, may account to a large degree for the rather stagnant market condition of investment trust securities. Although we maintain the belief that this type of enterprise is here to stay, we are also of the opinion that improved market conditions will be necessary before shares of this group will register any substantial upturn, marketwise. With this thought in mind, such stocks should be judged from a long term standpoint, and the ability to maintain income received from investments during market depression. Sterling Securities Corp., an investment trust of the general management type, was organized in February, 1928, and is under the supervision of Insuranshares Management Co. Report of the company for the six months ended June 30, 1930, revealed unrealized depreciation in market value of securities of $6,593,079, against unrealized loss of $3,728,147 as of December 31, 1929. Costs of investments on June 30, last, amounted to $32,351,438, while market value amounted to $25,758,359. However, the company reported that as of July 19, 1930, unrealized loss had been re-

(*Please turn to page* 891)

We Announce an

A Monthly Adjustable Stock Rating Booklet

IN order to fill the need today for a ready reference book affording a quick and accurate check on the position and prospect of any stock—we announce the monthly publication, beginning October 15, of our "Adjustable Stock Ratings" pocket-size booklet.

Every stock listed on the New York Stock Exchange as well as every important New York Curb Market security is included. The data for each security was selected after months of study. Unnecessary information has been eliminated. Essential data only, is included.

Assembled in concise form, this booklet gives you—at a glance—information absolutely necessary to every investor. These "Adjustable Stock Ratings," in combination with THE MAGAZINE OF WALL STREET, make an unequalled investment service that should enable you to keep your funds profitably placed in sound issues at all times.

Information as of June 1, 1930 (specimen pages)

	Company	Ticker Symb.	Listed	Rating	Business	Funded Debt	Shares Outstanding	Par	DIVIDENDS Rate	DIVIDENDS Payable	DIVIDENDS Record Date
1	Abitibi Pwr. & Paper	ABI	N	C2	Canadian paper mfgr.	$50,000,000	988,117	No			
2	Abraham & Straus	AST	N	B1	Brooklyn dept. store	5,150,000	155,155	No			
3	Acme Steel Co.	ACM	C	B4	Steel hoops and specialties	1,300,000	343,046	25	4.00	q-7/1	6/20
4	Adams Express Co.	AE	N	—	Management Invest. Trust.	9,990,000	1,815,150	No	1.60	q-6/30	6/14
5	Adams-Millis	ALL	N	C2	Low priced hosiery	None	156,000	No	2.00	q-5/1	4/19
6	Advance Rumely	RX	N	C3	Farm mach. and accessories.	None	137,500	100			
7	Aero Supply Mfg. "B"	AER.B	C	C2	Aviation hardw. and acces.	None	391,261	No			
8	Aero Underwriters	AOV	C	C4	Aviation insurance	None	141,630	No			
9	Agfa Ansco Corp.	AGN	C	A4	Cameras and supplies	None	300,000	No			
10	Ahumada Lead	AUA	N	C4	Lead, silver and zinc mining	None	1,192,000	1			
11	Ainsworth Mfg. Corp.	AIR	C	C3	Auto equipment	None	160,665	10	2.50	q-6/25	5/20
12	Air Reduction	ADN	N	A1	Oxygen, coml. gases & chemls.	None	791,292	No	3.00	7/15	q-6/30
13	Airway Elec. Appl.	AWY	N	C2	Vac. cleaners & heating units.	None	400,000	No	2.50	q-7/1	6/20
14	Ajax Rubber	AJ	N	D4	Tires and tubes	2,000,000	880,330	No			
15	Alabama Gt. South'n	AGS	C	B3	R.R. controlled by So. Rwy.	11,294,000	156,600	50	x-4.00	sa-6/28	5/24
16	Alabama & Vicksburg	ALM	N	B2	Railroad	2,500,000	42,000	100	6.00	sa-4/1	3/10
17	Alaska Juneau	JU	N	C4	Gold, silver & lead mining	873,400	1,446,000	10			
18	Albany Perf. Wr. Pap.	ABP	N	C2	Fine tissues & towels	3,000,000	156,000	No			
19	Albany & Susqueh'na	AQS	N	B2	R.R. leased to D. & H.	6,400,000	35,000	100	x-9.00	sa-7/1	6/14
20	Alleghany Corp.	AYY	N	B1	R. R. holding company	78,923,000	4,152,540	No			
21	Alleghany Gas Corp.	ALH	C	A3	Natural gas producer	2,500,000	244,550	No			
22	Allegheny Steel	AGL	N	B2	Steel, chrome alloys	None	610,204	No	x-1.80	mo-7/18	6/30
23	Allegheny & West.	AY	N	B2	R.R. leased to B, R. & P.	2,000,000	32,000	100	6.00	sa-7/1	6/20
24	Allen & Fisher	AFS	C	C3	Cigar mfgr.	None	150,000	No	2.00	q-7/1	6/16
25	Alliance Realty	ANR	N	C3	N. Y. C. real estate	None	132,000	No	3.00	q-7/18	7/5
26	Allied Chem. & Dye	ACD	N	A1	Heavy chemical products	None	2,178,109	No	6.00	q-5/1	4/8
27	Allied Mills	AMG	C	B2	Live stock feeds	None	1,035,000	No	0.60	q-7/1	6/16
28	Allis-Chalmers Mfg.	AH	N	A1	Elec. & indus. machinery	15,000,000	1,256,448	No	3.00	q-5/15	4/24
29	Allison Dr. Strs. "B"	AOU.B	C	B4	N. Y. C. Drug chain	800,000	95,000	No			
30	Alpha Port. Cement	AHP	N	B1	Cement mfgr.	None	711,000	No	2.00	q-7/25	7/1

a—5 mos. ended April 30. *bd*—Before depletion. *ap*—April 8, '28 to Dec. 31, '28. *j*—Fiscal yr. ended June 30. *m*—Mos. 9 ending Mar. 30.

Here is a full-size reproduction of two pages of data—typical of the 112 pages to be contained in each issue of our Monthly Adjustable Stock Rating Booklets. Note the handy size and the clear readable type.

Original Methods

Our Ratings show both the *outlook for the industry* and the *position of the security in that industry,* whether good or bad, enabling you at all times to have the expert advice of our experienced business and security analysts. *Before buying or selling any security consult these ratings.* Business conditions naturally change and our ratings for any particular stock may change at any time. Investors should check our ratings each month to see if a change has taken place in the outlook for their holdings.

Our Comments will be changed frequently, keeping you up-to-the-minute on new developments likely to affect prices.

Our Conclusions are based on intensive analyses of the combined fundamentals for each security—*plus the current technical position and future outlook for the general market.*

Special Advantages

—Notice especially how easy our numbered lines and special division markers enable you to follow each security across and get, at a glance, the essential data.

—For your convenience in quickly locating any Company, all the stocks, whether New York Stock Exchange or Curb are arranged in one alphabetical list, marked with an "N" or "C."

—The Industry the Security Represents—and other special industrial activities are shown as these are of prime importance in judging the future of a company.

Statistical Data:—You will find the important statistics so essential in judging and keeping track of your company—earnings—price range—dividend information—funded debt—shares outstanding—ticker symbols, *and latest interim earnings available.*

Important Innovation

Available to Yearly Magazine Subscribers

OUR monthly "Adjustable Stock Ratings" will be of inestimable help to all subscribers to THE MAGAZINE OF WALL STREET in keeping up to date on all securities in which they may be interested and in checking changes in the outlook for securities previously purchased.

Now, more than ever with business turning the corner, you will want the guidance of THE MAGAZINE OF WALL STREET supplemented by our "Adjustable Stock Ratings" so that you can—

—Avoid companies not likely to recover.
—See at a glance any danger signals on previous purchases.
—Know what industries are progressing—which are declining.
—Know what companies offer the soundest profit possibilities.
—Have all the essential facts all the time.

Explanations of ratings and additional foot notes on front cover.

EARNINGS				1929		1930		Recent Split-up or. Stk. Div.	Comment	
Annual		Interim		High	Low	High	Low			
1928	1929	1929	1930							
1.15	1.97	....	....	57⅞	34¼	42½	22	2:1 6/28	Near term outlook unfavorable	1
8.31	4.80	....	....	159½	43	66	45	....	Primarily attractive for long pull	2
so-11.95	*so*-9.30	....	*a*-1.45	107	85	70¼	66½	25% 2/30	Sharp reduction in earnings indicated	3
1.56	0.49	....	....	34	20	37⅝	23½	10:1 11/29	Shares have merit for long pull	4
ap-2.92	4.83	....	....	35⅞	19	32	23	....	Fair earning prospect	5
Def.	Nil	....	....	104⅞	7	23¼	11½	....	Unattractive on basis of past record	6
so-1.38	0.48	....	....	22⅝	5⅞	13⅞	8	....	Should improve with industry	7
N.R.	1.45	....	....	48½	13	23⅝	11	....	Company must show sustained earning power	8
Def.	Def.	....	....	43½	15	34	19	....	Near term earnings outlook uncertain	9
Def.	Def.	Def.[3]	Def.[3]	4⅞	⅝	1⅝	½	....	Low metal prices cloud company's outlook	10
4.13	6.47	2.00[3]	0.90[3]	57¾	17	33½	21⅛	1% quart	Lower earnings indicated	11
4.61	7.75	*so*-1.68[3]	*so*-1.98[3]	223⅝	77	153	118	3:1 3/28	Issue has well defined merit for long pull	12
3.29	3.86	0.95[3]	0.60[3]	48⅞	18⅛	36	21	....	Sales likely to be curtailed in 1930	13
Def.	Def.	Def.[6]	....	11¼	1	2½	1⅝	....	Little prospect of improved earnings	14
11.45	11.24	0.96[8]	....	161	109¾	132¼	119	....	Second grade investment rail	15
Leased b	y Yazoo	& Miss.	Val. Ry.	118	108	120	116	....	Dividends guaranteed under terms of lease	16
bd-0.54	*bd*-0.71	....	....	10¼	4¼	9⅛	6⅝	....	Output increasing but outlook uncertain	17
j-0.70	*j*-0.61	*m*-0.95	*sm*-1.68	25	5	15½	8¼	....	Recent earnings show improvement	18
Not repo	rted	....	....	216	194¼	220	212	....	Dividends guaranteed under terms of lease	19
....	0.53	....	0.09[3]	56½	17	35¼	18	....	Van Sweringen company. Good holdings	20
....	0.16	....	....	15	4⅞	9⅝	4	....	Unseasoned. Developing natural gas	21
3.66	5.04	....	....	90	59	72	57	100% 2/29	Has important Ford contracts	22
Not repo	rted	....	....	115	107	117	117	....	Dividends guaranteed by B. R. & P.	23
3.34	2.80	....	....	37	13⅞	18½	13	....	Cigar demand waning. Outlook uncertain	24
7.70	8.09	....	....	135	85	104	95	10% 2/29	Earnings growth temporarily retarded	25
11 12	12.60	....	....	354¾	197	343	255¾	5% 1/30	Plans to continue stock extra	26
Incorpor	ated 1929	....	....	24⅞	10½	18½	13½	....	Dependent on farm conditions	27
ad-2.82	3.78	0.89[3]	0.93[3]	75½	35⅛	68	49¼	4:1 8/29	Attractive for income and profit	28
....	....	....	....	5⅝	½	⅞	½	....	No recent data. Doubtful outlook	29
3.44	2.36	....	*mr*-2.13	54⅞	23	42¼	28⅛	....	Will benefit by new tariff	30

ad—Adjusted to give effect to 4 for 1 split-up. *mr*—12 months to March 31, 1930.

Check the simplicity of this presentation of the latest essential facts and figures for every important listed security. The information is the most practical andvaluable obtainable and may be interpreted at a glance.

Special Combination Offer

For a limited time we offer THE MAGAZINE OF WALL STREET, including full consultation privileges of our Personal Service Department one year (regular price $7.50) and our Monthly "Adjustable Stock Ratings" one year—all for *$9.00*. If you are a subscriber now, the expiration date of your current subscription will be extended accordingly.

Mail This Coupon Today

The Magazine of Wall Street **October 4, 1930.**
42 Broadway, New York, N. Y.

Enclosed is my check for $9.00. (Enter) (Extend) my subscription to The Magazine of Wall Street for one year (26 issues) including full privileges of your Personal Service Department and also send me the next 12 issues of your Monthly "Adjustable Stock Ratings."

Name ....**Address** ....

City ....**State** ....

Canadian Postage 50c additional per year; Foreign $1.00.

New York Stock Exchange

RAILS

	1928		1929		1930		Last Sale	Div'd $ per
A	High	Low	High	Low	High	Low	9/24/30	Share
Atchison	204	182⅝	298⅝	195⅛	242½	194	214	10
Do Pfd.	108⅛	102⅛	104⅞	99	106½	102⅝	†108	5
Atlantic Coast Line	191½	157⅛	209½	161	175½	144	†138	10
B								
Baltimore & Ohio	125⅝	103¾	145⅛	105	122⅝	96¼	96	7
Do Pfd.	85	77	81	75	84⅝	78¼	82⅛	4
Brooklyn-Manhattan Transit	77¾	53⅝	81⅞	40	78⅝	58⅜	72½	4
Do Pfd.	95⅝	82	92⅝	76½	95⅞	84⅞	95⅞	6
C								
Canadian Pacific	253	195½	265⅞	185	226¾	165⅜	181⅞	10
Chesapeake & Ohio	218¾	175½	279¾	160	51⅝	44½	47½	2½
C. M. & St. Paul & Pacific	40⅛	22¼	44⅞	16	26⅜	12½	13⅛	..
Do Pfd.	59⅝	37	68⅝	28½	46¼	19¼	19⅞	..
Chicago & Northwestern	94¼	78	108½	75	89⅞	61⅝	61⅝	5
Chicago, Rock Is. & Pacific	139⅝	106	143½	101	125⅛	90	93	7
Do 7% Pfd.	111½	105	109	100	110⅜	105	†106½	7
D								
Delaware & Hudson	226	163¼	226	141½	181	146	160½	9
Delaware, Lack. & Western	150	125¼	169¾	120¼	153	110¼	114½	7
E								
Erie R. R.	72½	48¾	93½	41½	63¾	35⅛	39	..
Do 1st Pfd.	63⅞	50	66¼	55½	67⅜	53½	†55¼	4
Do 2nd Pfd.	62	49¼	63⅞	52	62½	50	†50	4
G								
Great Northern Pfd.	114⅝	93½	128¼	85¼	102	71¾	74½	5
H								
Hudson & Manhattan	73½	50⅛	58⅝	34½	53⅜	41	44½	3½
I								
Illinois Central	148⅜	131¾	153½	116	136¾	109	112	7
Interborough Rapid Transit	62	29	58⅜	15	39½	20⅜	31⅜	..
K								
Kansas City Southern	95	43	108⅞	60	85⅝	58¾	†63	5
Do Pfd.	77	66½	70½	63	70	65	67	4
L								
Lehigh Valley	116	84⅛	102¼	65	84⅞	57⅞	†61	4½
Louisville & Nashville	159½	139⅝	154¾	110	138½	116	117⅞	7
M								
Mo., Kansas & Texas	58	30½	65¾	27½	66⅝	32⅞	36¼	..
Do Pfd.	109	101½	107½	93⅞	108⅜	92	†96½	7
Missouri Pacific	76¼	41⅞	101⅜	46	98½	57	62½	..
Do Pfd.	126⅞	105	149	105	145½	115⅝	†119	5
N								
New York Central	196½	156	256½	160	192¾	150¾	159⅜	8
N. Y., Chic. & St. Louis	146	121¼	192⅝	110	144	93	93	6
N. Y., N. H. & Hartford	82¾	54⅜	132½	80⅞	128⅛	97¼	100¾	6
N. Y., Ontario & Western	39	24	32	8	17¼	8	8	..
Norfolk & Western	198½	175	290	191	265	213¼	226	10
Northern Pacific	118	92⅝	118⅞	75⅛	97	66¾	69⅛	5
P								
Pennsylvania	76⅞	61⅞	110	72½	86⅝	69⅞	71⅞	4
Pere Marquette	154	124⅞	260	140	164½	129½	†127	8
Pittsburgh & W. Va.	163	121¼	148¾	90	121¾	80	†80½	6
R								
Reading	119⅝	94¼	147⅜	101⅛	141½	100	105	4
Do 1st Pfd.	46	41½	50	41⅛	50½	44⅛	†47	2
Do 2nd Pfd.	59⅞	44	60¾	43⅝	57	47¼	†48¼	2
S								
St. Louis-San Fran.	122	109	133¾	101	118⅞	84	84⅛	8
St. Louis-Southwestern	124½	67½	115⅜	50	76¾	52¼	†61	..
Seaboard Air Lines	30½	11⅝	21⅜	9⅛	12½	4½	4⅝	..
Do Pfd.	38	17	41⅜	16¼	28	16	†6	..
Southern Pacific	131¼	117⅝	157½	105	127	108	114¼	6
Southern Railway	165	139½	162½	109	136⅝	75	83¾	8
Do Pfd.	102¼	96⅝	100	93	101	90⅞	†90¾	5
T								
Texas & Pacific	194⅝	99½	181	115	145	110	123¾	5
U								
Union Pacific	224⅞	186½	297⅝	200	242¾	200	213½	10
Do Pfd.	87¼	82½	85½	80	87⅛	82¼	86¾	4
W								
Wabash	96¼	51	81⅜	40	67⅜	27¾	27¾	..
Do Pfd. A	102	88½	104⅞	82	89¼	66	†68	5
Western Maryland	54¾	31¾	54	10	36	18⅝	19⅞	..
Do 2nd Pfd.	54⅞	33½	53½	14⅝	38	19	21	..
Western Pacific	38⅛	28¼	41⅞	15	30½	16⅝	17	..
Do Pfd.	62⅛	52½	67¾	37½	58½	38	38	..

INDUSTRIALS AND MISCELLANEOUS

	1928		1929		1930		Last Sale	Div'd $ per
A	High	Low	High	Low	High	Low	9/24/30	Share
Adams Express	425	195	34	20	37⅝	21⅞	25	1.60
Air Reduction, Inc.	99⅝	59	223⅝	77	156⅜	103¼	113	4½
Allegheny Corp.	..	..	56½	17	35¼	18	19⅛	..
Allied Chemical & Dye	252¾	146	354¾	197	343	232	255	6
Allis Chalmers Mfg.	200	115⅛	75½	35⅛	68	48⅛	50⅜	3
Amer. Agricultural Chem. Pfd.	79⅝	55⅝	73⅜	18	41¾	23	33¼	..
Amer. Bank Note	159	74¾	157	65	97⅝	63	78	3
Amer. Brake Shoe & Fdy	49⅛	39⅞	62	40½	54⅝	41⅜	†42⅝	2.40
American Can	177½	70½	184½	86	156½	108¼	123¾	4
Amer. Car & Fdy	111½	88¼	106½	75	82½	42	45	6
Amer. & Foreign Power	85	22⅝	199½	50	101¾	56¼	59½	..
American Ice	46⅝	28	54	29	41⅞	31	31¾	4
Amer. International Corp	150	71	96¾	29½	55⅝	28¾	33⅛	2
Amer. Mchy. & Fdry	180	129½	279¾	142	45	35¼	38½	..
Amer. Metal Co., Ltd	63¾	39	81⅜	31⅛	51⅛	27	27	1½
Amer. Power & Lt.	95	62¼	175⅜	64¼	119⅜	72	75½	1
Amer. Radiator & S. S	191½	180⅛	55⅜	28	39⅜	23⅜	24⅜	1½
Amer. Rolling Mill	..	..	144⅝	60	100⅞	45½	47	2
Amer. Smelting & Refining	293	169	130¼	62	79½	53	58⅛	4
Amer. Steel Foundries	70⅝	50⅛	79⅞	35¾	52¼	35¼	37	3
American Stores	..	..	514	120	55½	42	46⅝	2

Price Range of Active Stocks

INDUSTRIALS and MISCELLANEOUS — (*Continued*)

	1928 High	1928 Low	1929 High	1929 Low	1930 High	1930 Low	Last Sale 9/24/30	Div'd $ per Share
A								
Amer. Sugar Refining	93½	55	94¾	56	69⅞	47	48	5
Amer. Tel. & Tel.	211	172	310½	193¼	274¼	200⅛	209	9
Amer. Tobacco Com.	184⅜	152	232⅛	160	137	115⅛	117	..
Amer. Type Founders	142¼	109⅞	181	115	141¾	113	†117	8
Amer. Water Works & Elec.	76½	52	199	50	124⅞	78⅛	95	1
American Woolen	32⅜	14	27⅞	5⅞	20¼	7½	†10	..
Anaconda Copper Mining	120¼	54	140	67¼	81½	38⅛	39¾	3½
Armour of Ill. Cl. A.	28½	11¼	18⅝	5⅛	8⅛	4⅝	4⅜	..
Arnold-Constable Corp.	51¾	35¼	40⅞	6¼	13¾	5	†7¾	..
Assoc. Dry Goods	75½	40¼	70¾	25	50½	28	33	2½
Atlantic, Gulf & W. I. S.S. Line	59⅞	37⅛	86⅞	32¼	80⅜	49⅝	†51	1
Atlantic Refining	66½	50	77⅞	30	51⅜	30⅛	30¾	2
Auburn Auto	..	..	85	40	263¾	91	103½	4
B								
Baldwin Loco. Works	285	235	66⅝	15	38	19⅝	29½	1¾
Barnsdall Corp. Cl. A.	53	20	49⅛	20	34	20½	20⅜	2
Beech Nut Packing	101¼	70⅜	101	45	70⅛	49⅜	†55½	3
Bendix Aviation	..	..	104⅜	25	57⅝	27⅝	28⅛	2
Best & Co.	102	53¾	60⅞	25	56¼	31⅛	46⅛	2
Bethlehem Steel Corp.	86⅜	51⅞	140¾	78¼	110¼	75	83¾	6
Bohn Aluminum	..	..	136¾	37	69	24	27	1½
Borden Company	187	152	100½	53	90⅜	60⅛	74¼	3
Borg-Warner	..	..	86⅞	26	50½	23⅝	25⅛	3
Briggs Mfg.	63⅝	21⅛	63⅛	8⅛	25⅜	13½	17¾	..
Bucyrus-Erie Co.	48¾	24½	43¾	14	31⅞	19⅛	21⅞	1
Burroughs Adding Mach.	249	139	96⅞	29	51⅛	29¼	32⅛	1
Byers & Co. (A. M.)	206¾	90⅛	192⅞	50	112⅜	60⅛	66	..
C								
California Packing	82⅝	68½	84⅞	63½	77½	60¼	62	4
Calumet & Arizona Mining	133	89	136¾	73½	89⅞	47¼	47¼	..
Calumet & Hecla	47⅜	20⅛	61⅞	25	33⅜	11⅝	11⅝	..
Canada Dry Ginger Ale	86½	54⅞	98¾	45	75⅜	56	61⅝	5
Case, J. I.	515	247	467	130	362¾	150	154	6
Caterpillar Tractor	..	..	61	50¼	79¾	52	52⅞	3¾
Cerro de Pasco Copper	119	58½	120	52¼	65⅜	40	40⅛	6
Chesapeake Corp.	81⅞	62¾	92	42⅛	82½	51½	61	3
Childs Co.	64	37	75⅞	44¼	67⅝	48	48⅞	2.40
Chrysler Corp.	140½	54¾	135	26	43	24	25¼	3
Coca-Cola Co.	180½	127	154½	101	191⅝	133¼	180	6
Colorado Fuel & Iron	84½	52½	78½	27¾	77	36½	43	2
Columbian Carbon	134¾	79	344	105	199	108	122¾	6
Colum. Gas & Elec.	140⅞	89½	140	52	87	55	59½	2
Commercial Credit	71	21	62⅝	18	40¾	23⅜	24½	2
Commercial Solvent	250¼	137⅞	63	20⅛	38	20¼	23⅜	1
Commonwealth Southern	..	..	24¾	10	20¼	12⅝	13	.60
Congoleum-Nairn, Inc.	31½	22	35¾	11	19¾	10⅛	10⅝	..
Consolidated Gas of N. Y.	170¼	74	183¼	80⅛	136⅞	96⅝	105	4
Continental Baking Cl. A.	53½	26½	90	25¼	52½	18½	27¾	..
Continental Can, Inc.	128⅞	53	92	40½	71⅝	50	54⅝	2½
Continental Motors	20½	10	28⅝	6⅛	8¼	3⅛	3½	..
Continental Oil	..	..	47⅛	48	30½	17⅛	17½	..
Corn Products Refining	94	64⅜	126⅜	70	111⅜	83⅛	86¼	4¼
Crucible Steel of Amer.	93	69¼	121¾	71	93⅝	69	69	5
Curtiss Wright, Common	..	..	30⅛	6⅜	14⅞	5⅛	5½	..
Curtiss Wright, A	..	..	37⅞	13¼	19¾	7⅜	7⅜	..
Cudahy Packing	78¼	54	67⅞	36	48	38⅛	42½	4
D								
Davison Chemical	68¾	34⅜	69⅛	21¼	43⅝	23½	23½	.
Drug, Inc.	120⅛	80	126⅛	69	87⅜	67	78⅝	4
Du Pont de Nemours	503	310	231	80	145¼	95¾	111¾	4.70
E								
Eastman Kodak Co.	194¼	163	264¾	150	255¼	175¾	205	8
Eaton Axle & Spring	68⅛	26	76¾	18	37¼	19⅛	21⅛	3
Electric Auto Lite	136½	60	174	50	114⅞	55⅛	60⅞	6
Elec. Power & Light	49⅜	28¾	86⅝	29⅛	103½	49¼	65	1
Elec. Storage Battery	91⅛	69	104½	55	79¼	61½	61⅝	5
Endicott-Johnson Corp.	85	74¾	83⅜	49¼	59⅝	44	†45	5
F								
Federal Light & Traction	71	42	109	60½	90¼	59⅝	†65¼	1½
Fox Film Cl. A.	119⅝	72	105⅝	19⅛	57⅜	16⅛	46¼	4
Freeport Texas Co.	109¼	43	54⅞	23¾	55½	37	43½	5
G								
General Amer. Tank Car	101	60⅞	123½	75	111⅞	78¼	82½	4
General Asphalt	94⅞	68	94¾	42¼	71⅛	38⅝	39	4
General Electric	221½	124	403	168⅛	95⅜	60⅛	66⅝	1.60
General Foods	..	..	81¾	35	61¼	46⅛	54½	3
General Motors Corp.	224¾	130	91¾	33½	54¼	37½	41⅛	3.30
General Railway Signal	123⅝	84¼	126½	70	106⅞	73¼	77	5
Gillette Safety Razor	123⅜	97⅛	143	80	106⅛	58	63¼	5
Gold Dust Corp.	143¼	71	82	31½	47⅞	34½	38⅞	2½
Goodrich Co. (B. F.)	109¼	86½	105¾	38¼	58½	21	21½	..
Goodyear Tire & Rubber	140	45⅛	154½	60	96⅞	50	53½	5
Granby Consol. Min., Smelt. & Pr.	93	39⅛	102⅞	46¼	59⅞	18	19⅜	2
Great Western Sugar	38½	31	44	28	34½	16⅛	16½	1.40
Gulf States Steel	73⅞	51	79	42	80	35	36¼	..
H								
Hershey Chocolate	72½	30¾	143⅞	45	109	70	93	5
Houston Oil of Texas	167	79	109	26	116⅞	52¼	63	§10%
Hudson Motor Car	99⅞	75	92⅛	38	62⅞	25⅜	27⅛	3
Hupp Motor Car	84	29	82	18	26⅝	10¼	11	2
I								
Inland Steel	80	46	113	71	98	68	76½	4
Inspiration Consol. Copper	48⅞	18	66¾	22	30⅞	12⅜	12⅜	2
Inter. Business Machines	166⅝	114	225	109	197⅛	152½	164	6
Inter. Cement	94⅞	56	102¾	48	75⅜	55¾	62⅝	4
Inter. Harvester	97⅞	80	142	65	115¾	70½	72⅞	2½
Inter. Nickel	269½	73⅝	72¾	25	44⅜	20⅛	22¼	1
Inter. Paper & Power "A"	86⅜	50	112	57	31⅛	14⅝	15½	2.40
Inter. Tel. & Tel.	201	139⅛	149¼	53	77⅜	36	37¼	2
J								
Jewel Tea	179	77⅜	84½	45	66½	48	49½	4
Johns-Manville	202	96⅛	242⅜	90	148⅜	70	80¼	3
K								
Kennecott Copper	156	80⅛	104⅞	49⅜	62⅜	28⅛	31⅝	2
Kresge Co. (S. S.)	91⅜	65	57⅞	25	36⅜	26⅛	29	1.60
Kroger Grocery & Baking	133¼	78¼	122⅛	33¼	43⅞	21	29⅛	1

New York Stock Exchange Price Range of Active Stocks

INDUSTRIALS and MISCELLANEOUS — *(Continued)*

	1928		1929		1930		Last Sale	Div'd $ per
	High	Low	High	Low	High	Low	9/24/30	Share
L								
Lambert Co.	136⅝	79½	157¼	80⅛	113	76½	89¼	8
Lehn & Fink	64⅞	38	68½	28	36	22¼	26	3
Liggett & Myers Tob. B	122½	83⅛	106	80¼	114⅜	85	97	5
Loew's Inc.	77	49⅛	84½	32	95¾	42⅛	73⅝	3
Loose-Wiles Biscuit	88¾	44¼	88⅝	39⅛	70¼	50⅛	58⅝	2.80
Lorillard	46⅞	23¾	31½	14¼	28⅛	16⅛	19⅝	..
M								
Mack Truck, Inc.	110	83	114¾	55⅛	88½	46¼	53½	6
Macy (R. H.)	187¾	134	255½	110	159¼	109	121	3
Magma Copper	75	43¾	82½	35	52½	28¾	30½	3
Mathieson Alkali	190	117¾	72⅝	29	51⅝	32⅝	38½	2
May Dept. Stores	113½	75	108½	45½	61⅜	40⅛	†42	2
McKeesport Tin Plate	78⅜	62½	82	54	89½	61	80½	5½
Mont. Ward & Co.	156½	115¼	156⅞	42⅝	49⅞	29⅜	32½	3
Murray Corp.	124¼	21½	100⅞	14⅞	25¼	12⅛	15⅛	§2%
N								
Nash Motor Co.	112	80¼	118⅞	40	58½	30⅛	31⅛	4
National Biscuit	195¼	159½	236¾	140	93	71	82⅛	3.30
National Cash Register A	104¾	47¼	148¾	59	83½	41	43⅝	4
National Dairy Prod.	133½	64½	86½	36	62	45¼	51¼	2
National Lead	136	115	310	129¼	189½	124¾	126	8
National Power & Light	46⅝	21⅞	71¾	23	58¾	32	43	1
Nevada Consol. Copper	42⅜	17¾	62⅞	23¼	32⅜	12⅜	12⅜	1
North American Co.	97	58⅝	186¾	66½	132⅞	87½	98½	10%
O								
Otis Elevator	285½	147⅛	55	22¼	80⅜	55	66	2½
Otis Steel	40½	10½	55	22¼	38⅞	24¼	24½	2½
P								
Pacific Gas & Electric	56⅛	43⅛	98¾	42	74⅞	52⅛	57½	2
Pacific Lighting	85⅜	69	146½	58⅛	107⅞	71⅜	75½	3
Packard Motor Car	163	56¼	32½	13	23⅜	12⅛	12⅛	1
Paramount Publix	56⅜	47¼	75½	35	77¼	48⅝	54½	4
Penney (J. C.)	..	..	105¼	66	80	48	49¼	3
Phillips Petroleum	53⅞	35¼	47	24¼	44¾	29⅛	29⅝	2
Prairie Oil & Gas	66⅝	59½	65⅝	40½	54	32½	32⅝	2
Prairie Pipe Line	..	..	65	45	60	40¾	40¾	5
Public Service of N. J.	83½	41½	137¾	54	123¾	81½	88½	3.40
Pullman, Inc.	94	77⅞	99¼	73	89⅜	62	65¼	4
Pure Oil	31¼	19	30¾	20	27¼	18¼	18⅛	1½
Purity Bakeries	139⅝	75	148⅝	55	88⅞	52	59½	4
R								
Radio Corp. of America	420	85¼	114¾	26	69⅜	32½	33⅞	..
Remington-Rand	36½	23⅛	57¾	20⅜	46½	23	26½	1.60
Republic Steel	94½	49⅛	146¼	62¼	79½	28⅞	29¾	..
Reynolds (R. J.) Tob. Cl. B	165½	126	66	39	58⅝	45¼	50¼	3
Richfield Oil of Calif	56	23½	49⅝	20	28¼	14	14½	2
Royal Dutch	64	44⅝	64	43⅛	56½	45¾	47	3.22
S								
Safeway Stores	201¾	171	195¼	90⅛	122⅜	57¼	66½	5
Schulte Retail Stores	67½	35¾	41½	3⅛	13½	4¼	7¼	..
Sears, Roebuck & Co	197½	82½	181	80	100⅝	56	65⅜	*2½
Shell Union Oil	39⅜	23¼	31¾	19	25½	12⅞	13	..
Simmons Co.	101⅜	55¾	188	59½	94⅞	21	24½	..
Sinclair Consol. Oil Corp	46¾	17⅜	45	21	32	19¼	19⅝	2
Skelly Oil Corp	42⅝	25	46½	28	42	26¼	26¼	2
Standard Brands	..	..	44¾	20	29¼	17	18⅞	1½
Standard Gas & Elec. Co	84⅝	57⅞	243¾	73½	129¼	84⅛	94⅜	3½
Standard Oil of Calif	80	53	81⅞	51⅛	75	55½	57⅞	2½
Standard Oil of N. J.	59⅜	37¾	83	48	84⅞	58	65¾	2
Standard Oil of N. Y.	45½	28¾	48⅛	31¾	40⅜	29⅝	30	1.60
Sterling Securities, A	..	..	38	8¼	20½	9½	9½	..
Stewart-Warner Speedometer	128⅛	77¼	77	30	47	19⅛	24	2
Stone & Webster	..	..	201½	64	113⅜	70½	74	4
Studebaker Corp.	87½	57	98	38¼	47¼	25¼	29	3
T								
Texas Corp.	74¾	50	71⅞	50	60½	50	50	3
Texas Gulf Sulphur	82½	62⅛	85¼	42½	67⅜	48⅛	57	4
Texas Pacific Coal & Oil	26⅝	12⅛	23⅞	9⅛	14⅛	8¼	8¼	..
Tide Water Assoc. Oil	25	14¾	23½	10	17¾	10¾	12	.60
Timken Roller Bearing	154	112⅝	139⅝	58⅛	89¼	55⅛	62⅛	3
U								
Underwood-Elliott-Fisher	93⅞	63	181¾	82	138	83	89½	5
Union Carbide & Carbon	209	136⅛	140	59	106½	60⅛	71⅝	2.60
United Aircraft & Trans	..	..	162	31	99	43½	50⅝	..
United Cigar Stores	34⅝	22⅞	27½	3	8½	5½	7	..
United Corp.	..	..	75⅛	19	52	28⅜	30¼	.50
United Fruit	148	131½	158½	99	105	81	82½	4
United Gas Imp.	..	..	59⅝	22	49⅜	31¼	34	1.20
U. S. Pipe & Fdy.	53	38	243⅝	95	38¼	18½	31⅞	2
U. S. Industrial Alcohol	138	102⅛	55⅞	12	139⅜	59	67	7
U. S. Realty	93⅝	61¼	119½	50⅛	75½	41	43⅝	5
U. S. Rubber	63¼	27	65	15	35	15⅛	15½	..
U. S. Smelting, Ref. & Mining	71⅛	39½	72⅞	29⅞	36½	17½	22¾	1
U. S. Steel Corp.	172½	132⅝	261¾	150	198¾	151⅝	161¼	7
V								
Vanadium Corp.	111⅛	60	116⅛	37⅛	143¼	49⅞	70	4
W								
Warner Brothers Pictures	139¼	80⅞	64⅛	30	80¼	24⅛	26½	..
Western Union Tel.	201	139⅛	272¼	155	219⅜	150¾	163	8
Westinghouse Air Brake	57⅜	42⅛	67¾	26½	52	36⅝	39	2
Westinghouse Elec. & Mfg.	144	88⅛	292⅝	100	201½	124¼	137	5
White Motor	43¾	30¼	53½	27¼	43	27⅛	31½	2
Willys-Overland	33	17¾	35	5¼	11	5½	6⅛	..
Woolworth Co. (F. W.)	225¾	175½	103⅞	52¼	72⅜	51⅝	62½	2.40
Worthington Pump & Mach.	55	28	137⅜	43	169	67¼	113	..
Y								
Youngstown Sheet & Tube	118⅝	83½	148	91	150¼	108	†101	5

* Ex-dividend. † Bid Price. § Payable in stock.

Securities Analyzed, Rated and Mentioned in this Issue

INDUSTRIALS

BONDS

PUBLIC UTILITIES

MINING

RAILROADS

PETROLEUM

Important Corp. Meetings

Company	Specification	Date of Meeting
Allis-Chalmers Mfg.	Dividend	10-3
Am. Brown Boveri Elec. Corp.	Directors	10-2
Amer. Steel Foundries	Directors	10-2
Celanese Corp. of Amer.	Directors	10-3
Crown Cork & Seal, Inc.	Dividend	10-2
Grand (F. & W.) 5-10-25 Cent Stores, Inc.	Dividend	10-1
Hercules Motors Corp.	Directors	10-2
Kansas City Southern Ry.	Exec. Comm.	10-1
Mountain Producers Corp.	Directors	10-1
Nat'l Enameling & Stamp	Directors	10-3
Porto Rican Amer. Tobacco	Directors	10-2
Simms Petroleum	Directors	10-2
Warren Brothers	Directors	10-2

For Feature Articles to Appear in the Next Issue See Page 845

MARKET STATISTICS

	N. Y. Times 40 Bonds	Dow, Jones Avgs. 30 Indus.	Dow, Jones Avgs. 20 Rails	N. Y. Times 50 Stocks High	N. Y. Times 50 Stocks Low	Sales
Monday, September 15	88.87	236.62	131.29	202.29	198.76	1,562,960
Tuesday, September 16	88.83	237.22	130.94	200.69	197.15	1,767,910
Wednesday, September 17	88.94	237.74	130.86	201.27	199.38	1,188,580
Thursday, September 18	88.98	234.18	130.33	200.00	197.32	1,376,990
Friday, September 19	88.99	229.02	129.71	197.32	193.00	2,947,780
Saturday, September 20	89.02	229.85	129.75	195.79	193.34	832,420
Monday, September 22	88.96	222.78	128.55	194.88	190.13	2,832,655
Tuesday, September 23	89.01	226.75	128.43	193.97	189.74	1,922,840
Wednesday, September 24	88.96	222.10	127.64	194.61	187.37	3,442,230
Thursday, September 25	89.07	217.75	126.67	191.29	185.63	3,067,710
Friday, September 26	89.04	218.27	125.42	188.83	182.50	3,704,590
Saturday, September 27	88.97	212.59	124.19	184.96	181.71	1,709,090

New York Curb Exchange

IMPORTANT ISSUES

Quotations as of September 25, 1930

Name and Dividend	1930 Price Range High	Low	Recent Price
Aluminum Co. of Amer......	356	205	205
Aluminum Pfd. (6).........	111½	105½	109¾
Amer. Cyanamid "B".......	37	14½	14⅝
Amer. Gas Elec. (1)........	157	104	116⅛
Am. Lt. & Traction (2½)...	89¼	52⅞	57
Amer. Superpower (1).......	39½	20⅛	20⅛
Assoc. Gas Elec. "A" (2.40)	46½	30⅛	30⅛
Central States Elec. (.40)...	39¾	19	20⅞
Cities Service (.30).........	44¼	24⅛	27
Cities Service Pfd. (6)......	93⅞	88	91⅜
Cleveland El. Ill. (1.60).....	93	50½	†51⅛
Comwlth Edison (8).........	335½	234	275
Cons. Gas of Balt. (3.60)...	136⅞	90¼	†115½
Consolidated Laundries (1)..	16	10	13⅛
Cosden Oil	74¾	20⅛	22
Deere & Co. (1.20).........	162⅝	65½	68¾
Durant Motors	7	2⅜	3⅛
Elec. Bond Share (6)§.......	117⅞	66⅞	70⅛
Ford Mot. of Canada A (1½)	38⅛	26	26
Ford Motor of France (.28).	12¼	6⅛	11⅛
Ford Motors, Ltd. (.37½)...	23⅛	10¼	17¼
Fox Theatre A..............	17⅜	2½	8¾
General Baking	4⅜	2¼	2⅜
General Baking Pfd. (3)....	54⅛	27	33⅞
Gen. El. Ltd rcts, Eng. (.50)	14	10¾	11½
Glen Alden Coal (8)........	121½	75	80
Goldman Sachs T.	46¾	15⅛	16½
Gulf Oil (1.5)..............	166⅞	108	109¾
Hecla Mining (1)...........	14	8¾	†9⅝
Humble Oil (2).............	119	78	80¾
Hygrade Food Products.....	15	8	8
Insull Util. Invest. Inc. §(10½%)	71	51⅛	51⅛
Insur. Securities Inc. (1.40).	23	10⅛	11
Internat. Pet. (new) (1)....	24	17¼	17¼
International Utilities B....	19½	6⅞	10⅜
Lefcourt Realty (1.85)......	25½	13¾	†11½
Lion Oil Refining (2).......	29	17	17
Lone Star Gas (new) (1)....	55⅞	34⅛	36
Metro Chain Stores..........	30	4	†5½
Mid. West Util. (8%)§.....	38	25¾	26¼
Mountain Producers (1.60)..	12⅛	8	8¾
National Fuel Gas (1)......	41⅜	25⅛	28
New Jersey Zinc (2½)......	91½	62½	65
New Mex. & Arizona Land..	7¼	3⅛	†3¾
Newmont (4)	141⅞	79	82⅝
Niagara Hudson Power (.40)	24⅛	14⅞	15
North. States Power (8)....	183½	130	149⅝
North. States Pow. Cum. Pfd. (6)	102¼	95½	102¼
Novadel-Agene (3¼)	39⅞	22⅝	†33
Pennroad Corp. (.20)........	16½	10⅛	10⅜
Pittsburgh & Lake Erie (10)	130	106	113
Salt Creek Producers (2)....	15¼	8¼	9½
Standard Oil of Ind. (2½)..	59⅞	46⅛	47⅝
Transcontinental Air Trans..	10⅞	5⅞	7⅛
Trans Lux	18⅛	4¼	5⅜
Ungerlieder	36⅛	21¾	25¼
United Lt. & Pow. A (1)...	56	27½	34¾
Unit. Lt. & Pw. cv. Pfd. (6)	119⅜	97½	107
Utility & Indus. Corp.......	23¾	12	12½
Utility Pow. & Lt. (1)......	28	14¼	16⅛
Vacuum Oil (4).............	97⅞	74⅛	74⅛
United Founders Corp. (2/35 sh. com)	44	15¼	15⅛

§ Payable in stock. † Bid price.

LIQUIDATION of Curb issues during the past fortnight carried a large number of the most representative issues down to a level which heretofore had been the low mark since the November break. Due to the lack of any dependable index for Curb stock "averages," it is difficult to make comparisons with other security markets in as far as the scope of the present decline is concerned. The individual record of representative issues, however, indicates that Curb stocks have been no exception to the general liquidation which has been taking place in common stocks the past few weeks.

There has been one line of demarkation between the Curb and the "Big Board" that has been noticeable since last Fall, namely, the fact that the volume of trading "on account" has been comparatively smaller in the case of the stocks listed on the Curb Exchange. This is due, of course, to the fact that brokers and their bankers have been less willing to place loans against Curb issues. Consequently the volume of margin trading during the advance in prices last year was comparatively smaller in comparison with cash transactions. Due largely to this fact, the Curb issues showed a tendency to hold up better in moments of the most severe liquidation on the Stock Exchange. Curb stocks, having been distributed to cash buyers were not pressed for sale by brokers who found it necessary to liquidate impaired accounts.

The relatively smaller margin buying of the Curb issues, however, has placed this market at a disadvantage at other times. It has been noted that during the quieter moments which followed severe stock price declines, the Curb issues have been subject to an aftertrain of selling, presumably by investors who were taking advantage of the fact that the previous decline did not hit this market as hard on the original liquidation and therefore the issues could be sold to better advantage on the Curb by traders who were anxious to obtain funds to buy the low priced issues on the Big Board.

In this respect, the Curb has shown a tendency somewhat similar to the Over-the-Counter dealings in investment stocks but at the same time investors have a quoted market that was somewhat easier to follow, both in the declines and in the subsequent recoveries. However much the Curb market may suffer from discrimination in the collateral loan policies of local bankers, therefore, the effect as far as the trader in this market is concerned is not entirely unfavorable. Furthermore, through creation of a money desk for convenient arrangement of collateral loans, there is and will continue to be better facilities for securing accommodations against Curb collateral.

Bond Buyers' Guide

NOTE.—The following list of bonds has been arranged solely on the basis of current yields to maturity. The position of any issue is not intended as an indication of its relative investment merit. Readers should observe a proper diversification of commitments in making their selections from this list.

	Prior Liens (Millions)	Interest Times Earned on All Funded Debt	Call Price	Recent Price	Current Income	Yield to Maturity
Panama 5½s, 1953 ....(a)	....	...	102½T	102	5.4	5.4
Norway 40-yr. ext. 5½s, '65....	....	...	100F	102	5.4	5.4
Haiti 6s, 1952 ....(b)	....	...	100	95	6.3	6.4

Railroads

Atchison, Top. & S. F. Conv. 4s, 1955..	273.3	5.63	110	94	4.3	4.5
Great Northern Gen. A 7s, 1936....(b)	139.8	2.41	....	112	6.2	4.5
Rock Island-Frisco Terminal 1st 4½s, 1957 ....(d)	....	X	102½T	98	4.6	4.6
Illinois Central 4¾s, 1966....	....	1.85	102½('36)T	102	4.6	4.6
Pennsylvania 5s, 1964	....	4.54	102T	105	4.7	4.7
Central Pacific Guar. 5s, 1960....(a)	....	2.72	105('35)T	106	4.7	4.7
Missouri Pacific 1st & Ref. 5s, 1977.(a)	94.6	1.70	105A	103	4.8	4.8
Southern Railway Dev. & Gen. 6s, 1956.	133.8	2.23	....	116	5.2	4.9
N. Y., Chic. & St. L. Ref. 5½s, 1974.(a)	58.8	2.21	105	108	5.1	5.0
Western Pacific 1st 5s, 1946....(b)	....	1.25	100	99	5.1	5.1
Chic. & W. Indiana 1st Ref. 5½s, 1962.	49.9	X	105	105	5.2	5.1
Wabash Ref. & Gen. 5½s, 1975....(a)	61.6	2.08	105A('35)	106	5.1	5.1
Central of Georgia Ref. 5½s, 1959....	30.9	1.57	105A('34)	105	5.2	5.2
Nor'n Pacific Ref. & Impr. 6s, 2047.(a)	165.6	2.48	110('36)	115	5.2	5.2
Carolina, Clinchfield & Ohio 1st & Cons. 6s, 1952 ....(b)	14.2	X	107½T	108	5.6	5.4
Balt. & Ohio Ref. & Gen. 6s, 1995...(a)	285.3	2.03	107½A('34)	111	5.4	5.4
Minn., St. Paul & S. S. M. 1st 4s, 1938.	....	1.58	....	91	4.4	5.4

Public Utilities

Pacific Gas & Elec. Gen. Ref. 5s, 1942..	29.0	2.26	105T	103	4.8	4.6
Montana Power Deb. 5s, 1962....(a)	33.3	3.14	105T	104	4.8	4.7
Columbia Gas & Elec. Deb. 5s, 1952....	....	4.62	105T	103	4.8	4.8
Consol. Gas of N. Y. Deb. 5½s, 1945.(a)	191.1	5.40	106T	107	5.1	4.8
Utah Power & Light 1st 5s, 1944....	....	2.83	105	102	4.9	4.8
Hudson & Manh'n 1st Ref. 5s, 1957..(b)	5.9	2.76	105	101	4.9	4.9
Arkansas Power & Lt. 1st & Ref. 5s, 1956 ....(c)	2.0	2.45	105	101	4.9	4.9
Detroit Edison 1st & Ref. 6s, 1940...(b)	14.0	3.27	107½T	107	5.6	5.0
Indiana Natural Gas & Oil Ref. 5s, 1936	....	2.87	....	100	5.0	5.0
Northern Ohio Tr. & Lt. Genl. & Ref. 6s, 1947, "A" ....(a)	8.4	2.20	110	107	5.6	5.3
New Orleans P. S. 1st & Ref. A 5s, 1952 ....(a)	9.7	1.32	104	94	5.3	5.5
Standard Gas & Elec. 6s, 1935....	432.2	1.60	103	102	5.9	5 4
Amer. W. Wks. & El. Deb. 6s, 1975..(a)	12.7	1.53	110	107	5.6	5.6
Seattle Electric—Seattle Everett 1st 5s, 1939 ....(d)	....	1.93	105	95	5.3	5.7
Standard Gas & Elec. 6s, 1966....(b)	432.2	1.60	105T	103	5.3	5.8
Cities Service Pr. & Lt. Deb. 5½s, 1952	104.4	1.53	105	92	6.0	6.2

Industrials

Midvale Steel & Ord. Conv. Coll. 5s, 1936 ....(a)	....	4.77	105	102	4.9	4.6
Gulf Oil Deb. 5s, 1947 ....(c)	....	13.04	104AT	103	4.8	4.7
Allis Chalmers Deb. 5s, 1937....(a)	....	6.29	103T	102	4 9	4.7
Sinclair Pipe Line 5s, 1942....(a)	....	5.33	103	103	4.8	4.7
Youngstown Sh. & Tube 1st 5s, 1978.(a)	....	6.86	105T	104	4.8	4.8
International Match Deb. 5s, 1947...(a)	....	9.81	109T	101	4.9	4.9
Amer. Cyanamid Deb. 5s, 1942....	0.3	10.58	100	99	5.1	5.1
National Dairy Prod. Deb. 5¼s, '48.(a)	0.6	10.40	103½	101	5.2	5.2
Chile Copper Deb. 5s, 1947....(a)	....	10.20	102T	96	5.2	5.3
Purity Bakeries 5s, 1948....	....	12.74	105T	97	5.2	5.3

Short Terms

Humble Oil & Ref. Deb. 5½s, '32...(b)	....	13.59	102½A	103	5.3	3.7
Amer. Cotton Oil 5s, May 1, 1931....	....	10.47	105	101	4.9	4.3
Smith (A. O.) 1st S. F. 6½s, 1933..(a)	....	34.45	101T	103½	6.3	5.0

Convertible Bonds

Inter'l Tel. & Tel. Deb. 4½s, '39....	Com.@63.9	3.07	102½	103	4.4	3.8
N. Y., N. H. & Hart. 6s. '48....	Com.@100	2.39	....	123	4.9	4.2
Baltimore & Ohio Conv. 4½s, '60....	Com.@120(h)	2.03	105	101	4.5	4.4
Atch., Top. & S. F. Deb. 4½s, '48..	Com.@166.6	5.68	102	128	3.5	..
Chic., Rock Island & Pac. 4½s, 1960....	....	2.19	105('36)T	99	4.6	4.6
Texas Corp. 5s, 1944....	Com.@70	18.08	102T	103	4.9	4.7
Chesapeake Corp Col. Tr. 5s, '47....	C & O@106	2.84	100	101	4.9	4.9
Amer. Inter'l Corp. Deb. 5½s, '49...	Com.@80	1 49	105	99	5.6	5.6
Utilities Pr. & Lt. W. W. 5s, 1959....	....	1.62	105T	85	5.9	6.1
Assoc. Gas & Elec. Conv, 4½s, 1949....	(K)	1.69	103T	82	5.5	6.1

All Bonds are in $1,000 denominations only, except (a) lowest denomination $500, (b) $100.

A—Callable as a whole only. T—Callable at gradually lower prices. X—Guaranteed by proprietary companies. (c) Listed on New York Curb. (d) Available over-the-counter. F—Not callable until June 1, 1935. (h) Convertible after February 1, 1931. K—Convert. into 17½ shares of Class A stock.

Beech-Nut Packing

(*Continued from page 871*)

446,250 shares of common stock. Computed on the same share basis earnings of $2,728,182 in 1928 would have been equivalent to $6.11 per share. the decline in per share results last year is explained largely by an increase of approximately $600,000 in selling expenses, due to a heavier outlay for advertising, etc. At the end of 1928, the company set aside a special fund of $1,000,000 from surplus to meet extraordinary expenses for advertising and development and in the past year $467,280 was expended for those purposes and charged against the fund.

Sound Investment

Earnings in the first six months of the current year were also moderately under results for the corresponding period of 1929, and while full details are not available, it probably can be safely assumed that during this period also, the company maintained active selling campaigns resulting in increased costs. Then too it is likely that sales declined somewhat, reflecting the generally lower tempo of business. The company, in all probability, was also under the necessity of writing off inventory losses incurred by the decline in commodity prices. Profits in the first half of the year were equal to $2.96 a share on the common stock, or only 4 cents under the full year's dividend and compare with $3.24 per share on 425,000 shares of common in the corresponding months last year. Expenditures for advertising and development charged against the special fund in the current year have amounted to $316,093.

As already pointed out, Beech-Nut's merchandise is retailed at prices which are practically standardized and this condition should permit the company to show a larger profit margin on current inventories. With this, and the company's previous record of favorable earnings, in mind, earnings should be readily sustained at a level approximately $5.75 to $6 per share. Selling around 55 the common yields 5.5% and the ratio to estimated earnings is 10 to 1, a modest valuation of the future prospects of a successful company, well established in an industry which is currently proving its right to the term, "depression proof." For the investor who seeks the conservative rather than spectacular medium, Beech-Nut Packing common should produce satisfactory returns over a reasonable investment term.

Answers to Inquiries

(Continued from page 881)

duced to $4,956,292, representing an enhancement in market value of securities held of $1,636,787 for the 19-day period. Income from investments only, for the first six months of the current year, amounted to $534,120 against dividend requirements on preferred and preference shares paid and accrued of $745,564. However, this deficit was offset by a realized profit on sale of securities amounting to $461,246. The management has shown good judgment in the selection of securities, the portfolio representing American industry in all its fields. While we do not look for any substantial enhancement in quoted values for the convertible preferred and Class A shares during the immediate future, these issues appear reasonably priced in relation to net asset value. Moreover, the convertible preferred, although speculative in character, is not without attraction on an income basis.

AMERICAN SMELTING & REFINING CO.

Assuming that the situation concerning non-ferrous metals has gone through its worst stages, has the time come to average on 50 shares of American Smelting common which cost me 105 last year? Is the $4 dividend safe? I have read that a merger with Kennecott is contemplated. Would this consolidation tend to increase the market value of my American Smelting stock?—K. O. P., Flint, Mich.

American Smelting & Refining Co. is the largest enterprise in its field, in addition to being a dominant factor in the production of non-ferrous metals. In recent years it has broadened its scope of operations to include the manufacture of metal and chemical products, such as sheet copper, test lead, lead pipe, alloys, nickel sulphate, sulphuric acid, arsenic, copper sulphate, etc. The management has always been aggressive, expanding facilities of the company, whenever opportunity permitted. The recent acquisition of a substantial interest in Mining Trust, Ltd., gives the company a participation in the development of Mount Isa Mines of Australia considered one of the largest lead, zinc and silver deposits. Such expansion considerably offsets temporary reduction in earnings, likely for the current year. In view of the fact that the bulk of the company's revenues is derived from smelting business, and most of this contracted for on a commission basis with other companies, the element of curtailed production has greater bearing on company's

earnings than decline in prices for metals. In this light, present unsatisfactory statistical position of non-ferrous metals industry no doubt is being adversely reflected in lower earnings for the company. However, the decline has not been drastic, and it is the expectation of the management that full 1930 year results will approximate $6 a common share, compared with annual dividend of $4 a share. The company reported net of $10.02 a share for 1929, compared with $8.24 a share for the preceding twelve months. Although a consolidation with Kennecott appears logical, no official report concerning such merger has been published. In view of its dominant position, capable management, strong financial condition and favorable longer term outlook, the common shares appeal to us as an interesting speculative investment. Moreover, at present levels the issue offers a liberal income return and we would not be opposed to purchases where a degree of patience may be exercised.

BEST & CO.

Is it too late to add 25 shares of Best common to the 25 I already have in order to participate to the fullest in any seasonal run-up this stock may have later in the Fall? You certainly called the turn in advising me to hold in July when Best was close to 40 and I had a loss of about $250. I shall be guided by your recommendation as to whether to buy more of this now.—J. S. S., Beaumont, Texas.

In the face of the business depression, sales of Best & Co. have shown a gain this year, and for the seven months ended August 31, the turnover increased 7% over the corresponding period of 1929. Earnings have disclosed an even larger increase, the net income for the six months ended July 31, last, totaling $605,387 or $1.99 a share on 300,000 common shares, as compared with $527,531, or $1.73 a share in the similar months of 1929. The sales increase is being maintained and since the second half year usually is the more profitable, earnings in the neighborhood of $4.50 a share are looked for in the current fiscal year which will end January 31, 1931. The general retail business outlook for the balance of the year is not bright, but Best & Co. has reduced operating costs and expenses considerably. While the Fifth Avenue store is, of course, the backbone of the organization, the operation of several suburban stores has been highly successful, as these units open up important sales territories at comparatively small costs. The company is in a satisfactory financial position and the current annual dividend of $2 a share is being covered by a comfortable margin. Although substantial price appreciation is not likely in the near future, additional commitments would appear to be justified at this time for longer term retention.

STANDARD BRANDS, INC.

Will you please let me have your analysis of the nearby prospects for Standard Brands common? Is the $1.50 annual dividend secure? I have 100 shares at 31. Shall I hold, sell or average?—S. D. G., Canton, Ohio.

Standard Brands, Inc., organized in August, 1929, represents a consolidation of Fleischmann Co., Royal Baking Powder Co., E. W. Gillett Co., Ltd., Chase & Sanborn, Inc., and Widlar Food Products Co. The company and its subsidiaries are engaged in the manufacture and sale of a wide variety of food products, including among others, yeast, baking powder, coffees, teas and other food specialties. Distribution is accomplished through direct selling agencies, 900 in number, located throughout the United States, Canada, Cuba and other adjacent countries. In view of the comparatively recent formation of the company, the extent of benefits to be derived from the consolidation is still a matter of conjecture. However, strong financial position, auspicious affiliations and capable management lend considerable weight to the opinion that eventually the company should be a dominant factor in its field. Although sales are reported to have increased consistently during current year, net results have been adversely affected by heavy expenses incurred through development and introduction of new products, large advertising program and perfection of distribution system. Per share earnings for the six months ended June 30, last, amounted to $0.57. Comparable data is not available, but consolidated report of its subsidiaries and predecessors for the full 1929 year revealed net income equivalent to $1.37 per common share, against indicated results, on the same basis, of $1.69 a share in 1928 and $1.71 in 1927. While its shares must be regarded as speculative in character, we are inclined to the belief that further retention is justified, where the inherent risks are not objectionable. Fresh purchases, however, should be deferred pending definite indications of earnings trend during balance of the year.

BUSH TERMINAL CO.

In view of the doubtful outlook for import business, would you advise closing out 100 shares of Bush Terminal common even at a loss of 17 points a share? I can afford to hold the stock but do not want to continue to do so if its dividend is in danger or I would have to wait another year for a recovery to the price I paid.—A. T. G., Erie, Pa.

Bush Terminal Co. owns in fee approximately 200 acres of valuable waterfront real estate located in Brooklyn, N. Y., improvements upon which consist of eight large steamship piers, 100 warehouses containing 25,000,000 cubic feet of space, a modern cold storage plant with 1,000,000 cubic feet capacity and eighteen loft and manufacturing buildings. Facilities are connected by approximately 35 miles of railroad, equipped with electric and steam locomotives. The entire unit is considered one of the largest rail and water terminals in the world. In spite of curtailed business activity, demand for storage space in port terminals has been unusually heavy, with the result that facilities of Bush Terminal have been taxed to the limit. Thus we find that operations during the first six months of the current year resulted in large profits, per share earnings amounting to $2.06 on 244,090 no par common shares, as compared with $1.90 on 233,471 shares for the initial half of 1929. Earnings record of the company reveals an upward trend since 1924; net for last year equaling $4.32 a common share, compared with $3.90 in 1928. Moreover, prospects for the balance of the current year indicate that full 1930 earnings are likely to establish a new high record for the company. Furthermore, earning power during ensuing years no doubt will be augmented by profits derived from its investment in Bush Service Corp. (a recently organized subsidiary for handling and financing export and import trade for others). The common shares impress us as having attraction for both medium and long term, and we suggest further retention of your present holdings. Moderate additional purchases, moreover, appear justified at prevailing prices.

Adams Express Co.

(*Continued from page 869*)

stock purchased in the open market it became the owner of about 75% of the total shares of American Railway Express, which name was then changed to Railway & Express Co.

Emerging from the chrysalis stage a few years ago, during which it had practically no business to perform, Adams Express has since become a bona fide investment trust and has engaged in no activities outside these operations. Indeed, it went further

into this line of endeavor when it merged with Railway & Express Co. on November 20, 1929, and on December 31, 1929, with Haygart Corp., the latter incorporated on November 9, 1928, and operated as a general management investment trust and as a general financing company.

Adams Express has not issued an interim statement, but as of December 31, 1929, inclusive of the assets of Railway & Express Co. and Haygart Corp., the company had aggregate investments costing \$52,609,808 but with a market value of \$53,323,423 and cash and call loans of \$20,361,920. The investments were widely diversified both with respect to industry and type of security. Specifically, bonds comprised approximately 7.83% of the total market value of the portfolio, preferred stocks 5.36%, or fixed income bearing securities totalled 13.19%. The remainder of the portfolio consisted of common stocks, divided into industrials which were 23,18% of the total, railroads 19.25%, bank stocks 1.59%, public utilities 5.58%, insurance and investment trusts 1.46%, miscellaneous securities 5.66%, treasury cash and call loans 27.50%, and miscellaneous assets 2.59%.

A commitment in Adams Express, therefore, represents a widely diversified investment in a large number of securities which, practically speaking, are a cross-section of American enterprise. The earnings on the 1,815,147 common shares of \$10 par last year was equal to 49 cents, but this in no way reflects the future earning power of the company. At its current market price of about 26, the stock is selling close to its liquidating value, and carrying a dividend of \$1.60 per annum returns the purchaser a yield of 6.15%. The market price, of course, will fluctuate with the general level of stock prices and specifically with the value of the portfolio.

Consolidated Gas of Baltimore

(Continued from page 867)

and operated by the Safe Harbor Water Power Corp. The initial capacity will be 230,000 horsepower with ultimate capacity of 500,000 horsepower and will be completed in another two years. Financing of this project will be done jointly by Pennsylvania Water & Power Co. and Consolidated Gas of Baltimore.

The gas manufacturing plants owned by the company have a total capacity of 72,000,000 cubic feet daily, but under a contract with the Bethlehem Steel Corp. large quantities are purchased from the Sparrows Point plant of this latter company where gas is produced as a by-product from the battery of coke ovens maintained there in connection with its steel operations.

On the question of property valuation and its relation to rate making, Consolidated Gas of Baltimore is in a better status than a majority of the public utility companies of the country. In 1923, the Public Service Commission of Maryland held that the value of the property as of December 31, 1922, was at least equal to the par of all security issues then outstanding plus book surplus. In October, 1929, the Commission reaffirmed its basic figures with addition for property subsequently acquired. On this property valuation, Consolidated Gas in 1929 earned 8.59% against 7.99% in 1928. With the lower rates currently in effect, the rate of return will probably drop below 8% for the time being, but the likelihood of the continuation of the upward trend in consumption will no doubt assure the company earnings approximating an 8% return.

Limited thus as to its earnings, the question arises regarding the attraction of the common stock as a commitment for appreciation. The answer lies in the steady growth of the business. A considerable part of the financing required for new facilities from time to time will be done by underlying bonds at a low rate of interest. The difference between this rate and the 8% which the company is reasonably allowed to earn will all accrue to the equity or common stock so that the earnings from the new property will be much more than 8% on the common.

Business of Consolidated Gas of Baltimore for the first half of 1930 showed a gain over the corresponding period last year, but currently the effect of the industrial depression is being felt to some extent. Gross revenues for the first six months of this year were \$14,753,643 an increase of 3.2% over the same period last year. Operating expenses, taxes and depreciation charges were 5.4% higher with the result that the net revenue of \$4,886,876 was about 1.2% lower than last year. In view of the 10% increase in the number of common shares outstanding, this stock being offered to shareholders at \$60 a share on April 1, 1930, the earnings per share on average number outstanding for the first half of this year were only \$2.93 as against the \$3.23 shown on a smaller number of shares in the first half of 1929. There are currently outstanding 1,167,397 shares of common stock.

Electricity by far accounts for the larger part of the revenues, last year

producing 63.5% of the total, while gas produced 33.9% of the revenues. Steam sales are being expanded, but last year contributed only 1.1% of the revenues while miscellaneous revenues accounted for the remaining 1.5%. The total revenues last year were $28,017,878. The operating ratio, i. e., operating expenses to gross, was 48.1% as against 49.5% in 1928. Retirement expenses or depreciation were fairly liberal equivalent to 7.1% of the gross revenues. After all charges there remained for the common $6,582,468, equivalent to 23.5% of the gross revenues, a ratio higher than in most other utility companies and indicative of the conservative capitalization of Consolidated Gas of Baltimore. On a per share basis earnings were $6.26 in 1929 as against $5.47 in 1928.

The inclusion of Consolidated Gas of Baltimore in an interconnected superpower system along the Atlantic Seaboard brings up the possibility of the company's affiliation through ownership of a large block of its stock with one of the super-holding companies. The present management, however, has indicated its desire to keep the company entirely independent from such financial tie-ups and last year even went so far as to organize a voting trust for the common stock.

Irrespective of any developments in this direction, the company represents an aggressive and efficient unit in the industry holding considerable promise over future years. The common stock is listed on the New York Curb Exchange where it recently has been selling for 114, a price about 18 times the per share earnings and fairly conservative in relationship with the prices of other utility common stocks. More so than most of the other utility stocks Consolidated Gas of Baltimore common because of its large equity in the properties and earnings of the company may be regarded as an investment stock and as such constitutes a desirable holding from many angles.

"Cash or Tick," Says Uncle Sam

(Continued from page 854)

toms, plus the needs of a growing and developing country will enforce a great trade between the two countries. Happy political relations have been reestablished with Mexico and there is a growing feeling in Mexico that its prosperity depends upon a virtual commercial alliance with us.

Of course, we are going to have only a part of the trade of the non-Euro-

(Please turn to page 898)

Recent Reported Earning Position of Leading Companies

This department serves to provide a current record of earnings reported by leading companies. Each issue covers only those reports which are received during the fortnight immediately preceding. Net worth is calculated from the latest available balance sheet; and earnings thereon serve to measure the profit position of the company in relation to its stockholders' investment. The ratio of debt to net worth indicates, by a percentage figure, the extent of bondholders' claims as compared to stockholders' equity.

Industrials

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Sept. 23, 1930, Times Earnings	Dividend Rate
Amer. Ship Building Co.	Year	.06	ND	5.01	9.6	5
Anaconda Wire & Cable Co.	6 mos.	.01	ND	.45	27.8(g)	1½
Armstrong Corp. Co.	6 mos.	NR	NR	.62	27.4(g)	2(a)
Cuba Co.	Year	(d)	.75	(d)	—	—
Dunhill International	6 mos.	.02	ND	.47	15.9(g)	1
Equitable Off. Bldg.	4 mos.	.08	254(m)	.90	16.7(g)	3
Filene (Wm.) Sons	6 mos.	NR	NR	—	—	—
Gamewell Co.	Quarter	.04	ND	1.69	9.8(g)	5
Hercules Motors Co.	6 mos.	NR	NR	1.74	6.3(g)	1.80
Indian Refining Co.	6 mos.	.01	28	.16	35.9(g)	—
Jordan Motor Car Co.	6 mos.	(d)	10	(d)	—	—
Lehigh Portland Cement	Year	NR	NR	.16	156.1	2½
Oppenheim, Collins & Co.	Year	.10	ND	4.33	8.3	3
Reynolds Spring Co.	6 mos.	(d)	22	(d)	—	—
Scott Paper	8 mos.	.10	5	3.21	10.4(g)	1.40
Shubert Theatre	Year	(d)	215(m)	(d)	—	—
Simmons Co.	6 mos.	NM	58(s)	.15	86.6(g)	—
Singer Mfg. Co.	1929	.15	ND	27.47	14.6	10(a)
Telautograph Corp.	8 mos.	.10	ND	1.01	12.6(g)	1.20(a)
Tobacco Prod. Corp.	6 mos.	.02	ND	.48-A	12.5-A(g)	—
United Dyewood Corp.	6 mos.	.01	ND	.09	100.0(g)	—
Universal Leaf Tob.	Year	.08	ND	3.20	9.1	3
Warren Fdy. & Pipe	6 mos.	.01	1	.68	21.1(g)	2
Wextark Radio Stores	Year	(d)	NR	(d)	—	—

Public Utilities

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Sept. 23, 1930, Times Earnings	Dividend Rate
Amer. & Foreign Pr.	12 mos.	.06	12	2.72	23.2	—
Amer. Pr. & Lt.	12 mos.	.09	21	4.23	17.9	1(a)
Amer. W. W. & Elec.	12 mos.	.04	94	3.81	24.9	1(a)
Detroit Edison Co.	12 mos.	.08	78	9.60	21.2	8
Federal Lt. & Traction	12 mos.	.09	108	3.03	21.7	1½(a)
Hudson & Manhattan	8 mos.	.03	147	2.94	10.2(g)	3½
International Tel. & Tel.	6 mos.	.02	44	1.04	18.7(g)	2
Pacific Tel. & Tel.	7 mos.	.05	39	3.73	21.4(g)	7
Phila. Company	12 mos.	.08	90	12.26	15.9	4(a)
Tri Utilities	Year	.01	170	3.56	13.3	1.20(a)
Utilities Pr. & Lt.	12 mos.	.06	116	1.50	23.2-A	1

Railroads

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value Sept. 23, 1930, Times Earnings	Dividend Rate
Ches. & Ohio Ry.	8 mos.	.07	71	2.78	11.5(g)	2½

A—Class "A" stock. ND—No Funded Debt. NM—Negligible. NR—Unavailable (a)—And extra. (d)—Deficit. (g)—Based upon estimated yearly earnings as indicated by period reported. (m)—Including mortgages. (s)—Including obligations of subsidiaries.

What a Nation of
FINANCIAL BOOBS *We Are!*

We buy stocks when they are high. *We sell them when they are low.* We rush to buy at every tip and to sell at every rumor. And then cheerfully *(or otherwise) ACCEPT OUR LOSSES.*

We buy with enthusiasm and we sell with fear. We swap our savings for securities *at the top of a boom* and our securities for cash *in the throes of a panic.*

We listen to every novice and heed his advice. Is it any wonder that *we lose our money?*

How ridiculous it all is—more money lost each year in ill-advised legitimate investment than in all the fake or crooked securities combined. Men working hard for years to earn money—*then tossing it idly away with scarcely a second thought!*

But that's not the road to *investment success.* There is a way to investment success but it is by the route of knowledge and education.

Since the founding of the Stock Exchange, 138 years ago, the road has been virtually closed. If any have been interested in financial and investment education they have been forced to take the detour through the rough and rocky roads of hard experience and losses.

Now for the *first time* the road is cleared, the detour signs have been removed, and for the first time there is a *straight, clear road ahead* through the avenue of practical investment education.

The road is opened up for the first time through the pioneering of a group of energetic, visionary, public spirited men. An opportunity is now provided for all, for men and women of every age, to get a practical education in investment.

The McNeel Institute of Investment Education, Inc., incorporated under the laws of Massachusetts, opens the door of investment success to all who have the foresight to embrace it. Here is an opportunity to procure at nominal cost a sound and practical investment education *without traveling the long and arduous road of financial experience with inevitable anxiety and* LOSSES.

The McNeel Institute after many months of preparation and development is able to offer to investors, young and old, a correspondence course of training to fit them for successful stock market investment. Four courses covering every phase of successful stock market investment are offered for the benefit of investors desirous of laying the foundation for permanent investment success.

Do not be deluded by the thought that there is never going to be another booming stock market—that there are to be no more opportunities to benefit by the *growth and progress of* AMERICAN INDUSTRIES.

Opportunities to make money through intelligent investment are always with us. Bigger and bigger booms lie ahead to be embraced by those who now have the *determination* and *foresight* to equip themselves with the necessary knowledge, training and education.

Tomorrow's success in investment will be achieved by those who lay the foundation today. The doors of the McNeel Institute are open.

ENTER

McNEEL INSTITUTE
of INVESTMENT EDUCATION, Inc.

126 Newbury St. R. W. McNeel, Pres. Boston, Mass.

I am interested in opening the door to successful investment. Please send complete outline of the program offered by the McNeel Institute.

Name ....

Address MW-10-4

(*Continued from page* 895)

pean world. Europe will share in the additional trade that will inevitably grow up with the advance of the backward and undeveloped regions. Where we make trade for ourselves we shall indirectly make it for Europe, and vice versa. After all is said there is still and always will be a great degree of variation between the products of industrial nations, which will permit not only trade between themselves but non-competitive common participation in neutral trade, so far as customs restrictions and financial obligations will permit.

If Europe is no longer in such dire need of our goods it is equally true that the consequences of the war seem to have been liquidated. Currencies have been stabilized and intra-continental trade normalized. Industrially Germany has been completely reorganized and once again stands forth as potentially, if not actually, the chief industrial nation of Europe and our leading adversary in the sale of manufactures in world markets. But here, again, some qualification is necessary. Low prices, business dullness and huge unemployment are disturbing all Europe except France. If the commodity price level goes much lower the whole problem of reparation and the Allies' debts to us will be reopened. The recent political upset in Germany is largely due to industrial discontent, and there is a grave possibility of new demoralization in Europe. After the present depression wears out (assuming that tranquillity will prevail) the home trade of Europe will greatly expand, productivity of labor will grow with the advancing "rationalization" of industry, and with it higher standards of living for the masses. All this will result, despite tariffs and harassing trade regulations in a growing, if ever varying market for some of our products.

It Will Be Different—Some Day

While the subject is only an academic one at present there is a far-away prospect that in time it will be recognized in the United States, with our increasing proportions as a creditor nation, that buying and selling as between nations may be as fecund of prosperity as buying and selling at home. We may not always consider foreign trade as beneficial only when it is one-sided. Be that as it may, we require an increasing volume of exports to keep the edge on prosperity. Home trade is and always will be the big thing but our productive capacity is outrunning its growth.

Under present controlling conditions of tariffs and financial relations we must concentrate the drive for export trade in those regions where the restrictive conditions do not apply, the regions with which reciprocal trade is in harmony with our tariff policies or at least not entirely opposed to them. This necessity greatly limits the field of our activities but what remains is extensive and has the advantage of a developing trade over mere competition for existing business in static countries. But as development proceeds local industries will rise. Foreign trade will therefore be more and more a varying one.

Australian tariffs, for example, have recently ruined our tire trade with that country, but in their place has come a great growth in the accessories of tire manufacture. Argentine has developed rubber garment industries that have monopolized the home trade, but in the place of the garments we are called upon to supply the makings. China has begun to make the textiles we used to supply but the factory workers with cash to spend have created a big market for American cigarettes. The rise of a new industry in any country almost invariably creates new markets for other products of other countries. Trade makes wealth and wealth makes traders, traders with an infinitely extending number of new and diverse wants.

We can have all the foreign trade we need for our own prosperity, but under present limitations, imposed by our own policies and those of other nations, it cannot be revived rapidly or exuberantly extended.

Taking the Pulse of Business

(*Continued from page* 851)

Cost of Business Credit

Finally comes the graph of business credit which indicates the interest charges associated with the financing of the near-term needs of trade and industry. In other words, it represents cost of financing business activity and new orders,—both consuming purchases and wholesale distribution.

* * *

The simplicity of the form in which we present these graphs makes for their easy comprehension and practicability. As pointed out before, we are endeavoring to establish a base—a starting point—taking into consideration the broad factors in the new economic situation.

It has been expressed in many places elsewhere that psychology is one of the most important factors in this present situation. To this we would like to add that psychology is *always* the most important factor — that it is not "economics" but human beings who are responsible for our economic situations, good or bad. Thus to any barometer must be added the psychological interpretation.

To my mind, the great value of this index is that it is also *an indicator of the soundness of the trend of stock prices.* Business and the stock market cannot be separated, for stocks are certificates of partnership in the corporations that are the heart and soul of the business structure.

While business is adjusting itself and finding its level, the first stage will represent a period when business and the market will run in rather close accord.

In the second stage when business is definitely on the up-grade, stock prices will run ahead of business and discount prosperity.

In the third and last stage, stock prices should far out-distance the business situation and indicate very definitely the speculative character of the stock market,—and thus sound a warning.

The seeds of every decline are sown in the preceding boom when excitement and speculative enthusiasm take the place of common sense.

The more we analyze the fundamental reactions of human beings, and look upon figures as largely a basis for interpreting these actions, the more accurate will our judgment become in forecasting.

The Barometer which we present, fits, we believe, the present as an indicator of the broad swings,—and an interpretation of these factors will appear in each issue of THE MAGAZINE OF WALL STREET beginning with this number.

Interpretation and Forecast

In an interpretation of the current position of the graphs, perhaps the most striking point is revealed in the recent behavior of "business activity." The pace of industry apparently quickened early in August of this year and records a moderate gain for the month—possibly in anticipation of the customary stimulus which business ordinarily receives in the Fall. In September, however, the line hesitates, even loses ground a trifle, as improvement in the general situation becomes less obvious. It is evident that business has yet to feel the influence of a larger order volume. Indeed new orders have gone into an almost interrupted decline of a year's duration as purchasing has shrunk. Until this stimulant of new buying materializes we can expect that business will no more than hold its own. It will take a certain length of time to stabilize our position and our

Bank, Insurance and Investment Trust Stocks

Quotations as of Recent Date

BANK AND TRUST COMPANIES	Bid	Asked
Bank of America, N. A. (4.50)..	91	94
Bank of N. Y. & Trust Co. *(20)	630	640
Bankers (3)	136	139
Brooklyn (30)	696	706
Central Hanover *(7)	328	333
Chase (4)	131	134
Chatham-Phenix (4)	104	107
Chemical (1.80)	61½	63½
City (4)	144	147
Corn Exchange (4)	166	170
Empire *(3.20)	74	77
First National (100)	4800	5000
Guaranty (20)	604	609
Irving Trust (1.60)	47¼	49¼
Manhattan Co. (4)	105	107
Manufacturers (6)	80	81
New York (5)	239	244
Public (4)	97½	100½
United States Trust *(70)	3925	4125
INSURANCE COMPANIES		
Aetna Fire (2)	59	61
Aetna Life *(1.60)	79	81
Carolina (1.50)	29½	31½
Continental (2.40)	37	39
Fidelity-Phenix (2.60)	67	69
Glens Falls (1.60)	53	55
Globe & Rutgers (28)	935	985
Great American (1.60)	30	31
Hanover *(1.80)	39½	41½
Hartford Fire *(2)	67	72
Home *(2)	40¼	41¼
National Fire (new)	67	69
North River *(2.50)	52	54
Stuyvesant *(2)	50	56

INSURANCE COMPANIES—Continued	Bid	Asked
Travelers *(24)	1325	1375
United States Fire *(240)	63	65
Westchester *(2.50)	52	57
SURETY AND MORTGAGE COMPANIES		
American Surety	107	110
National Surety (5)	75	76
JOINT STOCK LAND BANKS		
Chicago	5	10
Dallas	..	75
Des Moines	2	6
First Carolina	3	8
Lincoln	37	42
Southern Minnesota	..	2
Virginia	½	1
INVESTMENT TRUST SHARES		
American Founders Trust com...	9¼	10¼
Do 6% Pfd.	45¾	49¾
Do 7% Pfd.	49½	..
Diversified Trustees Shares A....	21½	22¼
Do Series B	17⅞	18⅝
Fixed Trust Shares A.	18½	..
Interl. Sec. Corp. of Amer., B...	10	..
Do A	40	..
Do 6% Pfd.	89¾	..
No. Amer. Trust Shares	7½	8
Second Intl. Securities A.	21½	..
Do 6% Pfd.	43½	..
Shawmut Bank	17	19
U. S. & British Internl. B.	4	..
U. S. Electric Lt. & Pr. "A"....	35½	37½

* Including extras.

level before genuine improvement will be visible.

The stock market apparently is undecided as to the real direction of business as yet. Reference to the common stock curve reveals that the market has been awaiting developments since mid-July. It has been responsive to changes in business activity, it is true, but it records no real progress. No doubt it reflects the uncertainty of those executives and "insiders" who are naturally in the best position to appraise the conditions and prospects in their own companies.

In fact, the longer the business uncertainty,—the more likely that stock prices will decline to levels where those who have money will be willing to buy them. But, that will be on a yield that would be favorable compared to that of high grade income producing securities, and to warrant the speculative risk during the adjustment of the various industries.

Meanwhile, the cost of business credit has declined, indicating that business has not yet reached sufficient proportions and that capital required for short term credit needs is more than adequate.

Reviving Business by Financing Consumption

(Continued from page 857)

to the financing of the home-owner by Sears, Roebuck & Company in their scheme of marketing house-building equipment.

In 1923 the American Radiator Company organized the Heating and Plumbing Finance Corporation under the banking laws of New York State. The idea was to work through the contractor and to create more sales. Under the plan as finally developed the contractor receives all his money without hold-back or deductions. The finance company is now owned by the American Radiator and Standard Sanitary Corporation, and during the past summer introduced a special summer plan of financing improvements and modernization of homes. This is a field in which the system of installment selling has been stubbornly resisted, and so far only about 6 per cent of the sales have been on time payment. Its introduc-

Building and Loan Associations

We will be glad to answer questions regarding Building and Loan Associations, provided that the information available on the association under consideration is sufficiently complete to warrant an opinion. Address, Building & Loan Ass'n Departmet, c/o The Magazine of Wall Street, 42 Broadway, New York City.

Colorado

AS a backlog, we recommend a liberal investment in the Full Paid Certificates of The Bankers Building & Loan Association, Denver, Colorado, guaranteeing an annual return of $70.00 in dividends, payable semi-annually, on every $1,000.00 invested.

Issued in units of $50.00 to $5,000.00, all dividends are exempt from Federal Income Tax to the amount of $300.00.

Send today for booklet MWA to The Bankers Building & Loan Association, 1510 Glenarm St., Denver, Colo.

Arizona

FIRST NATIONAL BUILDING AND LOAN ASSOCIATION

8% Accumulative Certificates
7% Fully Paid Certificates
6% Coupon Certificates
with

"Arizona's Largest Association"

FIRST NATIONAL
Building & Loan Association
106-8 So. Central Ave., Phoenix, Ariz.
Write for Explanatory Literature

Texas

8% ⟷ We Pay 8%

cash dividends, payable quarterly on Fully Paid Shares.

San Angelo Bldg. & Loan Assn.
(Under State Supervision)
20 West Twohig — San Angelo, Texas

Texas

NON-TAXABLE INVESTMENTS

7% Full paid shares issued in multiples of $100. Dividends payable semi-annually in cash, and to date of cancellation after six months from date of issuance. No fees. Under State Banking Dept. Supervision.

Assets More Than $1,300,000
A Reserve Fund Association
Write for literature and particulars.
Texas Plains Bldg. & Loan Association
111 West Sixth Ave., Amarillo, Texas

Colorado

6½% 5-year Guaranteed Income

SILVER STATE INCOME CERTIFICATES

$100 to $10,000
Coupon Bond Form

Careful investors in 46 states and 11 Nations own our Certificates.

Issued for cash or on 10 Pay Plan.

Colorado's largest Guaranty Capital Association. State supervised.

Co-operative Banks, Homestead Ass'ns and Bldg. & Loan Ass'ns are identical institutions.

Learn of Monthly Income Plan—safety — tax exemption — availability, and other vital facts.

Write for folder "C" today!

SILVER STATE
Building and Loan Association
1644 Welton St. — Denver, Colo.

Utah

7% Guaranteed Income
With Absolute Safety

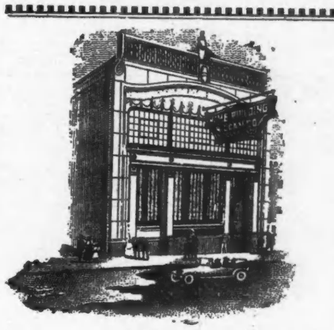
Paid-up certificates issued in denominations of $100, $500 and $1,000. Interest paid January 1 and July 1. Earnings from these certificates up to $300 exempt from Federal income tax. Write for other information.

Colonial
Building & Loan Association
OGDEN, UTAH

To Building and Loan Investors:—

We are endeavoring to give our subscribers and readers more explicit information on their B. & L. holdings. Therefore, we will be pleased to give you an opinion on any individual Association located in the United States, provided we have available data on which to base an opinion. Address Building & Loan Association Dept., The Magazine of Wall Street, 42 Broadway, New York City.

Florida



Home
Building and Loan Co.
16 and 18 Laura Street
JACKSONVILLE, FLORIDA

ASSETS $2,840,133.91

Each quarter since organization in 1921 this Company has earned and paid dividends at the yearly rate of not less than

7%

Full Information on Request

New York

On Systematic Savings **6%**

5% On Save as You Please Accounts

UNDER SUPERVISION N.Y. STATE BANKING DEPT.

SERIAL
BUILDING LOAN & SAVINGS INSTITUTION
195 BROADWAY - 170 FULTON ST. N.Y.C.
WRITE FOR BOOKLET

Texas

7% With Safety

Our Full Paid Certificates, secured by First Mortgage Notes on improved real estate, pay 6% per annum—dividends payable July 1st and January 1st.

Installment and Prepaid Certificates are participating and now earning 7%. State Supervision insures the safety of your investment.

Located at El Paso, Texas, where real estate values are not inflated.

Send for descriptive literature

People's Bldg. & Loan Ass'n
Resources in excess of $3,000,000.00
108 Texas Street — El Paso, Texas

tion and present intensive promotion show, however, the extremes to which consumer financing has been progressing.

Independent Financing

Whether or not personal success in this field will be as readily achieved as was done by the General Motors Corporation is seriously open to question. The Crane Company, for instance, may be very powerful in the plumbing industry, and it has initiated installment selling, but there is developing a decided trend toward independent financing, or financing of consumer credit by agencies which are independent of control by producers.

Financial authorities contend that the soundest of the finance companies handling installment paper are those which diversify their holdings and are not content to purchase the paper of even one particular industry but scatter their risks among a number of industries. Should that theory hold true then there is certain to develop from our present experience a new banking field devoted exclusively to consumer credit. They will make fashionable ensembles of commodities, and a grouping of consumer goods. Manufacturers are only toying with this problem today, and the more progressive are determined to be in on the ground floor when this system of financing becomes more definitely established.

Scrutinize Your Foreign Bonds

(*Continued from page* 863)

in Italian bond issues—if any at all. The life-span of Fascism could at any time be cut short abruptly; and with its downfall, such bonds would promptly seek substantially lower levels.

Germany, on the other hand, has demonstrated a marked ability to utilize to advantage all borrowed funds granted to her. The new Bank for International Settlements is governed by able and experienced bankers and business men, and is, in effect, the organization which under the Young Plan would be called upon to solve any difficulties that Germany may run into in the months ahead. Just at present the internal financial obligations of the government are hard hit by the recent election, in which the less conservative element appears to have gained considerable strength. We doubt the possibility of Germany's external obligations being defaulted, regardless of the outcome of the election; but feel that the average investor may employ that portion of his funds now committed to German bonds more profitably elsewhere.

Summing up the foreign bond situation as it exists today, we believe the most successful investor will confine his commitments in the foreign field—if any—to the external obligations of such stable, well-rated governments as those of Newfoundland, Denmark, Norway, the Netherlands, Canada and Great Britain. For those willing to assume a higher element of risk, as compensation for slightly larger income, the external obligations of France, Belgium, Switzerland and Japan may be considered.

But in the final analysis, the investor must frankly answer for himself the question: "Can I, by placing my capital in the bonds of foreign governments, secure any adequate compensation for the acknowledged increase in risk and the inability to learn promptly of events of financial importance affecting my bond holdings; and lastly, can I afford to accept all of these disadvantages when an abundance of sound, attractive rail, utility and industrial bonds are available in my own country, with earnings' trends published frequently, the management well known and its progress analyzed at regular intervals—and all of these enterprises operating in a country that possesses a stable government, an A-1 rating and the world's most promising industrial outlook for the future?"

Anticipating, in part, the average investor's answer, we have included in the table accompanying this discussion some particularly sound and attractive domestic bond issues. We believe they merit careful consideration at this critical period in foreign trade and industrial development.

Important Dividend Announcements

NOTE—To obtain a dividend directly from the company the stockholder must have his stock transferred to his name before the date of the closing of the company's books.

Ann'l Rate		Amount Declared		Stock Record	Payable
$2.00	Alpha Portl. Cement	$.50	Q	10-1	10-25
3.00	Amer. Chain Co.	.75	Q	10-10	10-20
7.00	Am. Consol. Pwr. Corp. 1st Pfd. Series A	1.75	Q	10-15	11-1
6.50	Am. Consol. Pwr. Corp. 1st Pf. $6.50 Div. Ser.	1.63	Q	10-15	11-1
6.00	Am. Cons. Pwr. Corp. 1st Pf. $6.00 Div. Ser. '29	1.50	Q	10-15	11-1
7.00	Am. Cons. Pwr. Corp. 2d Pfd. Ser. A	1.75	Q	10-15	11-1
5.00	Amer. Shipbuilding	1.25	Q	10-15	11-1
3.00	Am. Steel Foundries	.75	Q	10-1	10-15
8.00	Am. Type Founders	2.00	Q	10-4	10-15
2.50	Anaconda Copper Min.	62½c	Q	10-11	11-17
4.00	Bon Ami—Cl. A	1.00	Q	10-15	10-30
4.00	Brookl.-Manh. Trans.	1.00	Q	10-1	10-15
5.00	Canada Dry Ging. Ale	1.25	Q	10-1	10-15
.30	Cities Service Co.	.02½	M	10-15	11-1
6%	Cudahy Pkg. 6% Pf. Stk.	3%	SA	10-20	11-1
7%	Cudahy Pkg. 7% Pf. Stk.	3½%	SA	10-20	11-1
4.00	Cudahy Pkg. Common	1.00	Q	10-3	10-15
Stock	Cities Service Co.	½%	M	10-15	11-1
6.00	du Pont (E. I.) de Nemours deb.	1.50	Q	10-10	10-25
1.00	Elec. Pow. & Lt. Co.	.25	Q	10-11	11-1
4.00	Freeport Texas Co.	1.00	Q	10-15	11-1
2.00	Granby Consol. Min., Smelt. & Pr.	.50	Q	10-17	11-1
1.00	Lehigh Portl. Cement	.25	Q	10-14	11-1
2.00	Mid-Continent Petrol.	.50	Q	10-15	11-15
3.60	New York Air Brake	.90	Q	10-7	11-1
8%	Peoples Gas Lt. & Coke	2%	Q	10-3	10-17
4.00	Phil. Rap. Trans. Co.	1.00	Q	10-15	10-31
6.00	Pittsb. & W. Va. Ry.	1.50	Q	10-15	10-31
Stock	Sears, Roebuck & Co.	1%	Q	10-15	11-1
8%	So. Rwy. Common	2%	Q	10-1	11-1
1.00	Transamerica Corp.	.25	Q	10-4	10-25
5.00	United Lt. & Pwr. Old Cl. "A" & Cl. "B" Common	1.25	Q	10-15	11-1
1.00	United Lt. & Pwr. New Cl. "A" & Cl. "B" Common	25c	Q	10-15	11-1
2.00	United Verde Ext. Min.	.50	Q	10-2	11-1
4.00	Vulcan Detinning Co.	1.00	Q	10-4	10-20
7%	W. Penn Pwr. 7% Cum. Pfd.	1¾%	Q	10-3	11-1
6%	W. Penn Pwr. 6% Cum. Pfd.	1½%	Q	10-3	11-1

Trade Tendencies

(*Continued from page* 879)

mistakable evidence of managerial ability, or the lack of it. Profit margins have been reduced by lower selling prices and undoubtedly many companies have been compelled to make inventory adjustments which will be reflected in lower earnings. Keenly aware, however, of the public disposition to resort to hand-to-mouth buying during periods of business uncertainty, inventories have not been permitted to become burdensome, and retailers generally have been prompt to encourage buying by lowering prices and conducting special sales.

As a group, retail companies will doubtlessly give a good account of themselves this year, considering the conditions which have prevailed but investment choice should only be the result of careful selection and discrimination.

Insurance Department

(*Continued from page* 877)

policy be taken on *your own* life with the boy named as beneficiary. In such case and in the event of your predeceasing the boy before the endowment matures, the proceeds would be paid over to a duly appointed guardian, or held by the company until such time as the lad needed the money for the planned educational course. If you live to the maturity of the endowment, as would seem normal if you are in good health, then you could plan with your boy as to the proper manner of applying the proceeds of the endowment.

Financial Notices

Dividends and Interest

"CANADA DRY"

Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held September 18, 1930, a regular quarterly dividend of one dollar and 25 cents ($1.25) per share was declared, payable October 15, 1930, to stockholders of record at the close of business October 1, 1930.

R. W. SNOW, *Secretary.*

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 59

A regular quarterly cash dividend for the three months' period ending September 30, 1930, equal to 2% of its par value (being at the rate of 8% per annum), will be paid upon the Common Capital Stock of this Company by check on October 15, 1930, to shareholders of record at the close of business on September 30, 1930. The Transfer Books will not be closed.

D. H. FOOTE, *Secretary-Treasurer*

San Francisco, California

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

The Directors of the International Railways of Central America have declared a quarterly dividend of one and one-quarter of one per cent (1¼%) on the Preferred Stock of that Company, payable November 15, 1930, to Preferred Stockholders of record at the close of business on October 31, 1930.

FRANK L. TENNYSON, *Treasurer,*
11 Broadway, New York, N. Y.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

164th Dividend

THE regular quarterly dividend of Two Dollars and Twenty-Five Cents ($2.25) per share will be paid on October 15, 1930, to stockholders of record at the close of business on September 20, 1930.

H. BLAIR-SMITH, Treasurer.

BAYUK CIGARS INC.

PHILADELPHIA

A quarterly dividend of 1¾% on the First Preferred stock of this corporation was declared payable October 15, 1930, to stockholders of record September 30, 1930. A dividend of 75¢ per share on the Common stock of this corporation was declared payable October 15, 1930, to stockholders of record September 30, 1930. Checks will be mailed.

John O. Davis, *Secretary*

September 19, 1930.

Dividends and Interest

Dividends and Interest

AMERICAN COMMONWEALTHS POWER CORPORATION

New York Grand Rapids St. Louis

Dividend Notice

The Board of Directors of American Commonwealths Power Corporation has declared the following dividends:

PREFERRED STOCK

The regular quarterly dividend of $1.75 per share on the First Preferred stock, Series A, payable November 1, 1930, to stockholders of record at the close of business October 15, 1930.

The regular quarterly dividend of $1.63 per share on the First Preferred stock, $6.50 Dividend Series, payable November 1, 1930, to stockholders of record at the close of business October 15, 1930.

The regular quarterly dividend of $1.50 per share on the First Preferred stock, $6 Dividend Series of 1929, payable November 1, 1930, to stockholders of record at the close of business October 15, 1930.

The regular quarterly dividend of $1.75 per share on the Second Preferred stock, Series A, payable November 1, 1930, to stockholders of record at the close of business October 15, 1930.

COMMON STOCK

The regular quarterly dividend of 1/40 of one share, (2½%) payable in Class A Common stock on October 25, 1930, on each share of Class A and Class B Common stock, to stockholders of record at the close of business September 30, 1930.

Where the stock dividend results in Fractional shares Scrip certificates for such fractions will be issued which can, at the option of the stockholders, be consolidated into full shares by the purchase of additional Fractional shares. The Company will assist stockholders in the purchase of additional Fractional shares.

Checks and stock certificates in payment of dividends will be mailed in due course.

September 17, 1930. ALBERT VERMEER, *Treasurer.*

The New York Air Brake Company

New York, September 17, 1930.

The Board of Directors on this day declared a quarterly dividend of Ninety Cents ($0.90) per share upon the outstanding no-par-value Common Stock, payable November 1, 1930, to stockholders of record at the close of business on October 7, 1930.

C. E. LEACH, Secretary.

UNITED VERDE EXTENSION MINING COMPANY

233 Broadway, New York, N. Y.

Dividend No. 58 September 22nd, 1930.

A dividend of Fifty Cents per share on the outstanding capital stock has been declared, payable November 1st, 1930, to stockholders of record at the close of business October 2nd, 1930. Stock transfer books do not close.

C. P. SANDS, Treasurer.

MAGMA COPPER COMPANY

Dividend No. 36

A dividend of Seventy-Five Cents per share has been declared on the stock of this Company payable October 15, 1930, to stockholders of record at the close of business on September 30, 1930.

H. E. DODGE, Treasurer.

Dated, September 19, 1930.

The Baltimore & Ohio Railroad Co.

OFFICE OF THE SECRETARY

Baltimore, Md., September 17, 1930.

The Board of Directors this day declared for the three months ending September 30, 1930, from the net profits of the Company, a dividend of one (1) per cent. on the Preferred stock of the Company.

The Board also declared, from the surplus profits of the Company, a dividend of one and three-quarters (1¾) per cent. on the Common stock of the Company.

Both dividends are payable December 1, 1930, to Stockholders of record at the close of business on October 11, 1930.

The transfer books will not close.

G. F. MAY, Secretary.

The Cudahy Packing Company

Chicago, Ill., Sept. 19, 1930.

The Board of Directors has this day declared the regular semi-annual dividend of Three Per Cent (3%) on the 6% Preferred Stock of the Company, and Three and One-half Per Cent (3½%) on the 7% Preferred Stock of the Company, payable November 1, 1930 to stock of record October 20, 1930. Also the regular quarterly dividend of $1.00 per share on the Common Stock of the Company ($50.00 par value), payable October 15, 1930 to stock of record October 3, 1930.

A. W. ANDERSON, Secretary.

KEEP POSTED

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by business houses of the highest standard. They will be sent free upon request, direct from the issuing houses.

PLEASE ASK FOR THEM IN NUMERICAL ORDER

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

STANDARD OIL ISSUES
We have available for distribution descriptive circular on all the Standard Oil issues. (219).

"ODD LOT TRADING"
John Muir & Co., members New York Stock Exchange, are distributing to investors their booklet "Odd Lot Trading," which explains the many advantages diversification offers to both large and small investors. (225).

THE BACHE REVIEW
A summary of the general financial and business situation, published every week by J. S. Bache & Co., 42 Broadway, New York. Sent on application. Readers of the Review are invited to avail themselves of the firm's facilities for information and advice on stocks and bonds. Their inquiries will receive careful attention without obligation to the correspondent. In writing please mention the Bache Review. (290).

FOR INCOME BUILDERS
The booklet describes a practical Partial Payment Plan, whereby sound securities may be purchased through monthly payments of as little as $10. Shows how a permanent independent income may be built through the systematic investing of small sums set aside from current earnings. (318).

7% INSTALLMENT SAVING CERTIFICATES
of a Colorado building and loan association operating under strict state supervision—their investment features and why—are explained in an interesting folder. (467).

SECURITY SALESMANSHIP—THE PROFESSION
An interesting discussion of this specialized field, together with information about the Course of Training being adopted by scores of leading investment firms for their men. Send for your copy. (470).

"WHAT IS THE CLASS A STOCK?"
An analysis of the Class A Stock of the Associated Gas & Electric Company, including charts, figures and descriptive information indicating the progress of the properties back of Associated securities. (492).

MARKET ACTION
is the title of a bulletin issued every week by a large financial service house, which will keep you advised of the opportunities offered with every turn of the market. Send for your complimentary copy today. (493).

FREE FOLDER
explains the advantages of guaranteed Income Time Certificates issued by progressive building and loan association. Affords highest type of safety and definite 6½% earnings for five-year term. Issued for $100 to $10,000—bond form with quarterly or semi-annual interest coupons. Non-fluctuating—transferable—renewable and tax exempt. (526).

"THE FRENCH PLAN"
Mr. Fred F. French, one of the foremost real estate authorities, has explained the operation of the French Plan in this interesting book. Full-page illustrations of the French Company properties are also shown. Send today for your copy. (643).

IS IT IMPOSSIBLE?
is the title of an attractive booklet which will aid you in scientifically placing your funds into investment trust issues. Send for your copy today—it's free. (672).

NATIONAL WATER WORKS SECURITIES
What is the future for the securities of this public utility? You can secure a satisfactory answer if you send today for 681.

ENJOY MONEY
is the title of a booklet issued by Investors' Syndicate. If you are interested in some day enjoying your money, send today for your complimentary copy giving you sound suggestions as to how you can accumulate wealth. (731).

A COMPLETE FINANCIAL LIBRARY IN 11 VOLUMES
These eleven Standard Books, published by The Magazine of Wall Street, cover every phase of modern security trading and investing. Available at moderate cost. Write for descriptive circular. (752).

BOND SAFETY—FIXED INTEREST OF 6% WITH AN EXTRA PARTICIPATION IN PROFITS
describes the attractiveness of the Participation Bonds of the American Cash Credit Corporation, one of the N. C. C. A. Group. An interesting booklet describing the attractiveness of the industrial loan field for investment will be sent free upon request. (754).

AMERICAN COMMONWEALTHS POWER CORPORATION
have issued its annual report containing a history of the corporation, its earnings, statistical data, and services rendered. A complimentary copy will be sent to you upon request. (761).

THE UNGERLEIDER DAILY MARKET LETTER
will be gladly sent on application written on business letter head. Contains interesting investment suggestions and trading advices. (780).

WHEN TO BUY AND WHEN TO SELL
The Investment and Business Forecast, a security advisory service conducted by The Magazine of Wall Street, definitely advises subscribers what securities to buy or sell short and when to close out or cover. Current weekly edition and full particulars sent without obligation. (783).

TRADING METHODS
The handbook on Trading Methods, issued by Chisholm & Chapman, contains much helpful information for traders. A copy will be sent to you upon request together with their latest Market letter. Ask for 785.

"UNITED FOUNDERS CORPORATION"
is the title of a booklet recently published, containing a complete and up-to-date statement of the history, investment policies and affiliations, etc., of United Founders Corporation. Copies may be obtained by addressing 789.

BYLLESBY MONTHLY NEWS
Published by the well-known pioneers in public service, contains many sound investment suggestions; also keeps you in touch with the investment market in general and gives timely information on various units of the Byllesby organization. Your name will gladly be placed on the complimentary list without obligation. (792).

TOBEY & KIRK CURRENT MARKET LETTER
this week contains a special survey of general business and financial conditions throughout the United States. Ask for 810.

PARTIAL PAYMENT PLAN
An old established New York Stock Exchange house invites the purchase of high grade listed securities on monthly time payments. Descriptive booklet of plan sent on request. (813).

"MIDLAND UNITED COMPANY"
is the title of a booklet containing a review of the Midland United Company, its subsidiaries and their services to the communities in which they are located. Handsomely illustrated, it will give you a true picture of the workings of a large public utility company. Ask for 817.

THE McNEEL INSTITUTE OF INVESTMENT EDUCATION, INC.
Details concerning fall courses in Practical and Applied Stock Market Investment, including courses in fundamentals of successful investment—analysis of balance sheets and income accounts—when to buy and when to sell stocks—cycles—money—credit—booms—panics, etc. Send for circular to The McNeel Institute, 126 Newbury street, Boston, Mass., or ask for 818.

"COLGATE-PALMOLIVE-PEET COMPANY AS AN INVESTMENT"
is the title of a 16-page booklet just published by Lehman Brothers and Spencer, Trask & Co. In attractive style this booklet gives the history of the three companies merged into the company of the present name, the various products manufactured, the financial position of the Company and prospects for the future. Send for your complimentary copy. (819).

THE LAWBECK CORPORATION
The 6% Cumulative Preferred Stock with Warrants, listed on the Chicago Stock Exchange, is recommended for investment by A. G. Becker & Co., prominent investment bankers. Dividends guaranteed by Manhattan-Dearborn Corporation, price to yield over 6¾%. Send for detailed literature. (820).

BEST & CO., INC.
In the current Weekly Review issued by Prince & Whitely, a detailed analysis is given of this large New York department store. (821).

BOOKS FOR BUSINESS MEN
Add these three volumes to your financial library: "Corporation Finance," the most complete and up-to-date treatment of the subject; "Stock Movements and Speculation," explaining both the old and new markets and recent developments since the 1929 crash; "Business Life Insurance Trusts," the first practical and authoritative book on the subject. Send for literature. (822).

UTILITIES POWER & LIGHT CORPORATION
The securities of this international utility system should be used to build a lasting investment. The Class A Stock is traded on the New York and Chicago Stock Exchanges; Class B and Common Stocks are traded on New York Curb and Chicago Stock Exchanges. Send for further information to 823.

"UTILITY PREFERRED STOCKS"
This attractive 8-page booklet has just been issued by the well-known firm of G. L. Ohrstrom & Co. and it will give you a brief discussion of the advantages of preferred stocks in general and utility preferred stocks in particular. Send for a complimentary copy. (824).

DIAMOND MATCH CO.
The stability of earnings enjoyed by Diamond Match Company has enabled this organization to distribute dividends to stockholders for a period of forty years without interruption. Merits of the new stock of Diamond Match are discussed in an analysis of the company recently prepared by Russell, Miller & Co. Copies available upon request. (825).

STANDARD CORPORATIONS, INC.
Through its Common Shares this Corporation offers to investors a participation in a selected list of securities representing sound investment value and attractive future possibilities. John Nickerson & Co. have prepared a circular on this attractive security which will be mailed upon request. (826).

"STOCK AND BOND REGISTER"
A pocket size form for the listing of stocks and bonds will be forwarded upon request without charge. Otis & Co., 216 Superior avenue, N. E., Cleveland, Ohio, or 827.

s

n "bil-
actual
. Even
reatest
owed a
and in

ws the
ustrial
ve con-
ers of
eaders

in its
ustrial
nders
d eco-
period
United
rtant
intain

ion ▸